

Colorado Waiver Consolidation Project Adults with Intellectual and Developmental Disability System

for the
Colorado Department of Health Care Policy and Financing

July 19, 2019

The Colorado Department of Health Care Policy and Financing has not approved this draft report. The following document is a draft work product that has not reached final form and may contain errors. The Department worked collaboratively with the Adult IDD Waiver Redesign Stakeholders to inform the content of this draft report.

Table of Contents

| | | |
|------|--|----|
| I. | Introduction | 5 |
| II. | IDD Waiver Consolidation Background | 5 |
| A. | Colorado IDD Waivers | 6 |
| B. | Waiver Service Management and Provision | 7 |
| C. | Waiver Population | 8 |
| D. | Waiting Lists | 8 |
| E. | Enrollment Trends..... | 9 |
| F. | Spending | 10 |
| G. | Colorado’s Waivers for Individuals with IDD Compared to Other States | 11 |
| III. | History of Colorado’s Waiver Redesign Efforts..... | 12 |
| A. | Community Living Advisory Group | 13 |
| B. | Waiver Redesign Workgroup | 13 |
| C. | Legislation | 13 |
| D. | Stakeholder Meetings | 14 |
| E. | Budget Request..... | 14 |
| IV. | Stakeholder Engagement..... | 15 |
| A. | Community Living Advisory Group Meetings | 15 |
| B. | Waiver Redesign Workgroup Meetings | 16 |
| C. | Waiver Implementation Council (WIC) Meetings | 17 |
| D. | Adult IDD Waiver Redesign Stakeholder Meetings..... | 19 |
| E. | Other Components of Stakeholder Engagement..... | 19 |
| V. | IDD Waiver Program Design..... | 23 |
| A. | Centers for Medicare and Medicaid Services Technical Assistance | 24 |
| B. | Commissioned Research, Evaluation, and Analysis Work | 26 |
| VI. | Service Coverage Standards Description and Methodology..... | 26 |
| A. | Organization of Service and Coverage Standards | 27 |
| B. | Service and Coverage Standards Iterations and Tracking..... | 27 |
| C. | Service Summary..... | 27 |
| VII. | Best Practices | 29 |

| | | |
|-------|--|----|
| A. | Designs for IDD service system | 29 |
| B. | Model State Approaches..... | 30 |
| C. | Lessons Learned for Colorado..... | 31 |
| VIII. | Utilization and Finance | 32 |
| A. | Methodology and Model Design | 33 |
| B. | Cost changes | 37 |
| C. | Utilization | 38 |
| D. | Bolton Proposed Options..... | 38 |
| IX. | Other Associated Initiatives | 39 |
| A. | State and Federal Mandates..... | 39 |
| B. | Regional Center Task Force (HB-14-1338) | 40 |
| C. | Conflict Free Case Management (CFCM) (HB 17-1343)..... | 40 |
| D. | Patient-Centered Outcomes Research Institute..... | 41 |
| E. | Employment First for Persons with Disabilities (SB 16-077)..... | 42 |
| F. | IDD Waiting List..... | 42 |
| G. | Testing Experience and Functional Tools (TEFT) Demonstration & the LTSS Assessment tool | 42 |
| H. | No Wrong Door | 43 |
| I. | Consumer-Directed Attendant Support Services added to HCBS-SLS waiver | 43 |
| J. | Community First Choice (CFC) 1915(k) State Plan Option | 43 |
| K. | Colorado Choice Transitions (CCT)..... | 44 |
| L. | Electronic Visit Verification (EVV) | 44 |
| M. | Cross-system Response Pilot Program for persons with Intellectual and Developmental Disabilities (HB 15-1368)..... | 45 |
| N. | Accountable Care Collaborative (ACC) 2.0..... | 45 |
| X. | Risks | 46 |
| A. | Risks of Action | 46 |
| B. | Risks of Non-Action | 46 |
| XI. | Recommendations | 47 |
| XII. | Future Innovation | 50 |
| A. | Expand self-direction | 50 |
| B. | Increase the Innovative Use of Technology | 50 |

| | | |
|-------|-----------------------|-------------------------------------|
| C. | Housing | 50 |
| D. | LEAN Initiative | 51 |
| XIII. | Next Steps | 52 |
| A. | In Process | 52 |
| B. | Not in Process | Error! Bookmark not defined. |
| XI. | Conclusion..... | 52 |

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I. Introduction

The Colorado Department of Health Care Policy and Financing (the Department) is responsible for administering Colorado’s Medicaid program, Health First Colorado, including the management of ten Home and Community-Based Services (HCBS) waivers, six for adults and four for children. In 2012, spurred on by legislative, policy, and federal mandates, Colorado initiated efforts to transform its HCBS waiver programs. In July of 2012, Governor John W. Hickenlooper issued Executive Order 2012-027, creating the Office of Community Living (OCL) within the Department. The OCL was charged with ensuring Colorado’s Long-Term Services and Supports (LTSS) system is “responsive, flexible, accountable, and self-directed.”¹ The Executive Order also called for the formation of the statewide Community Living Advisory Group (CLAG) to recommend ways to reform the State’s LTSS system. The CLAG’s charge was endorsed in 2013 by joint resolution (HJR 13-1023) and the CLAG issued recommendations for reforming Colorado’s LTSS system in September 2014. Recommendations included:

- Improve the quality and coordination of care
- Establish a universal system of access points
- Simplify the state’s system of HCBS waivers
- Grow and strengthen the LTSS workforce
- Simplify and harmonize regulatory requirements
- Promote housing supports
- Promote employment for all

This report focuses on Colorado’s efforts to date to inform the redesign of the State’s two Adults with Intellectual and Developmental Disabilities (IDD) waivers, including research and stakeholder engagement undertaken by the Department, and recommendations for moving forward. While this report only addresses two of the HCBS waivers, it informs the Department’s long-term goal of streamlining and simplifying all ten waivers.

II. IDD Waiver Consolidation Background

In 2015, building off the recommendations of the CLAG, Colorado enacted House Bill (HB) 15-1318, which required the Department to consolidate two Medicaid waiver programs for HCBS for adults with Intellectual and Developmental Disabilities (IDD). The two waivers, described below, are the Home and Community Based Services for Persons with Developmental Disabilities (HCBS-DD) waiver and the Home and Community Based Services-Supported Living Services (HCBS-SLS) waiver.

¹ Community Living Advisory Group Report, September 2014, at https://www.colorado.gov/pacific/sites/default/files/Community_Living_Advisory_Group_Final_Report_09-30-14.pdf

HB 15-1318 mandated that the consolidated waiver should contain a minimum set of specific services (see Appendix A, “HB 15-1318 State Fiscal Impact note” for a list of services) and included an initial \$3 million appropriation to the Department to begin analyzing how to implement this initiative. Table 1 shows the funding allocated for the Department to begin this effort in Fiscal Years (FY) 2015-16 and 2016-17. Notably, there is no ongoing direct service funding associated with HB 15-1318 to implement this mandate.

Table 1: Estimated Expenditures under HB 15-1318²

| Cost Components | FY 2015-16 | FY 2016-17 |
|--|----------------|----------------|
| Personal Services | \$178,638 | \$191,399 |
| <i>FTEs</i> | <i>2.8 FTE</i> | <i>3.0 FTE</i> |
| Operating Expenses and Capital Outlay Costs | \$16,769 | 2,850 |
| General Contracting | \$400,000 | \$400,000 |
| Computer Systems Changes | \$750,000 | \$250,000 |
| Financial Analysis | \$500,000 | \$250,000 |
| Centrally Appropriated Costs* | \$36,394 | \$40,538 |
| Total | \$1,881,801 | \$1,134,787 |
| Cash Funds | \$922,704 | \$547,125 |
| Federal Funds | \$922,704 | \$547,125 |
| Centrally Appropriated Costs | \$36,394 | \$40,538 |

*Unexpended funds roll forward to the next FY

**Centrally appropriated costs are not included in the bill's appropriation

A. Colorado IDD Waivers

Within Colorado’s Medicaid program, the Department manages ten HCBS waivers under HCBS 1915(c) waiver authority; two of which are aimed at adults with IDD. The Department describes these two IDD waivers as follows:

- **The HCBS-DD waiver** provides access to 24-hour/seven-day-a-week supervision through Residential Habilitation and Day Habilitation Services and Supports. The service provider is responsible for supporting individuals in securing living arrangements that can range from host home settings with 1-2 persons, individualized settings of 1-3 persons, and group settings of 4-8 persons. Support is also available for participants who live in their own home or who live with and/or are provided services by members of their family. The HCBS-DD waiver includes a Residential Habilitation Services and Supports (RHSS) benefit to ensure the safety of the member and to assist in the acquisition, retention, or improvement of skills necessary to support the member to live and participate successfully in the community.
- **The HCBS-SLS waiver** provides necessary services and supports for adults with IDD so they can remain in their homes and communities with minimal impact to the individual’s community and

² HB 15-1318, Colorado Legislative Council Staff Fiscal Note, State Fiscal Impact: Consolidate Intellectual and Developmental Disability Waivers LLS 15-0829 (see Appendix A)

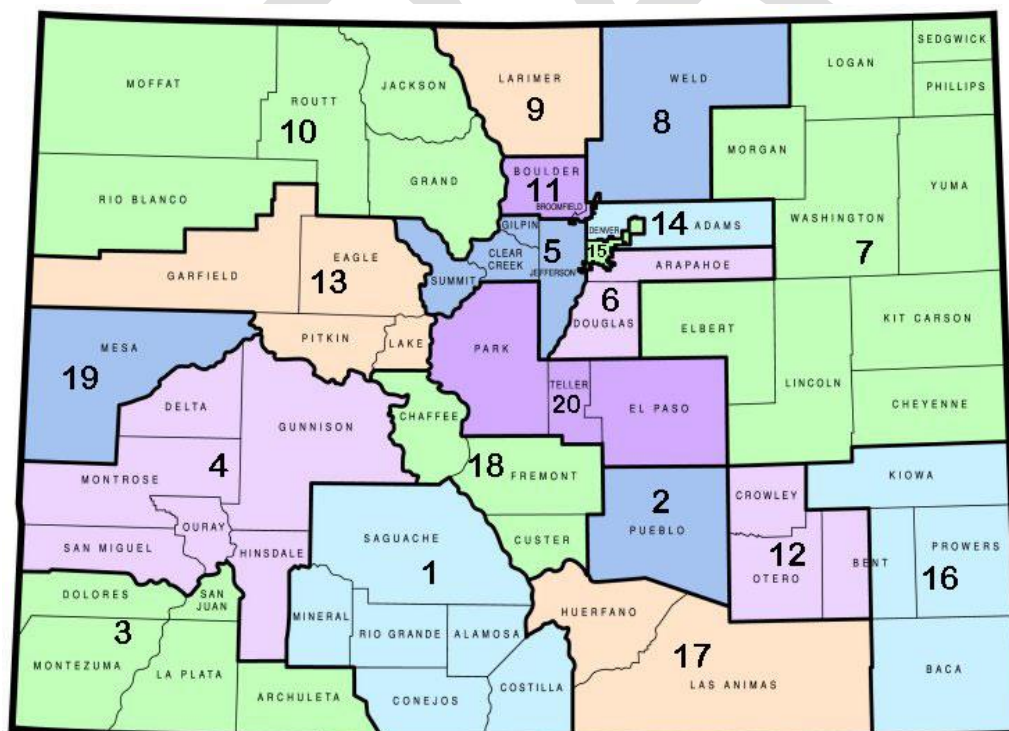
social supports. The waiver promotes individual choice and decision-making through the individualized planning process and the tailoring of services and supports to address prioritized, unmet needs. In addition, this waiver is designed to supplement existing natural supports and traditional community resources with targeted and cost-effective services and supports. The person receiving services is responsible for his or her living arrangements that can include living with family or in their own home. Up to three persons receiving services can live together. Participants on this waiver do not require twenty-four hour a day supervision.

B. Waiver Service Management and Provision

1. Community Centered Boards

In 1963, Colorado created a community-centered system to manage and provide supports and services for Colorado's citizens with IDD and their families. This system includes local organizations called Community Centered Boards (CCBs) that serve as the case managers for services (designated in statute as single-entry points into the LTSS system for individuals with IDD). Today, there are 20 CCBs, each of which serves a distinct geographic area (See Figure 1) and provides eligibility determination, needs assessment, service plan development, arrangement of services, delivery of services, funding allocation, and many other functions to individuals with IDD and their families. The CCBs work with over 500 Program Approved Service Agencies (PASAs) to ensure that the needs of every individual they serve are being met within available state and local resources.

Figure 1: Community Centered Boards, Regions



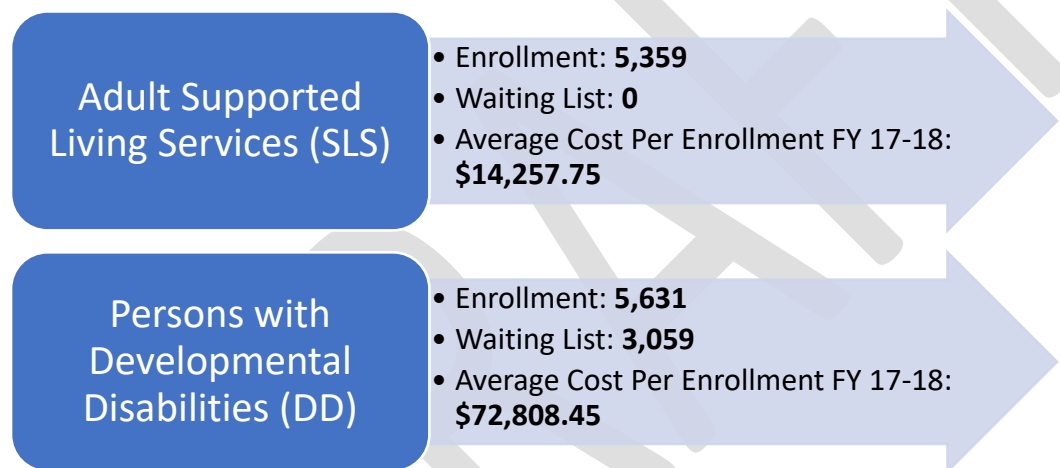
2. Providers

In 2018, there were over 500 direct service providers across Colorado approved to provide services to individuals with IDD.³ Several studies have been conducted to assess the adequacy of Colorado's IDD provider network. Limited provider availability has been noted in rural areas, and within specific service areas, including behavioral health services, respite services, and certain nonmedical transportation services (see Bolton Report, Appendix H).

C. Waiver Population

As of Fiscal Year (FY) 2017-18, a total of 10,990 individuals were enrolled in the two IDD waivers: 5,359 in the HCBS-SLS waiver and 5,631 in the HCBS-DD waiver. While there is no waiting list for the HCBS-SLS waiver, the HCBS-DD waiver had 3,059 people on the waiting list at the end of FY 2018, which is currently closer to 2,900. The average cost per person per year in FY 2017-18 for the SLS waiver was \$14,258 while the average cost per person per year for the DD waiver was \$72,808. See Figure 2 below.

Figure 2: IDD Waiver Enrollment, Waiting List, and Average Cost Per Enrollee, 2018⁴



D. Waiting Lists

As described above, the HCBS-DD waiver includes a waiting list. Members are placed on the HCBS-DD waiting list by their CCB with one of the following designations based on the member's articulated need:

- **As Soon As Available (ASAA):** The member has requested enrollment as soon as available.
- **Date Specific:** The member does not need services at this time but has requested enrollment at a specific future date. This category includes individuals who are not yet eligible because they have not yet reached their 18th birthday.
- **Safety Net:** The member does not need or want services currently, but requests to be on the waiting list in case a need arises later. This category includes individuals who are not yet eligible because they have not yet reached their 18th birthday.

³ Colorado Department of Health Care Policy and Financing, FY 2019-20 Joint Budget Committee Hearing, December 19, 2018 at https://leg.colorado.gov/sites/default/files/fy2019-20_hcphrg3.pdf

⁴ Silva, B. HB 14-1051 Update: Developmental Disabilities Strategic Plan

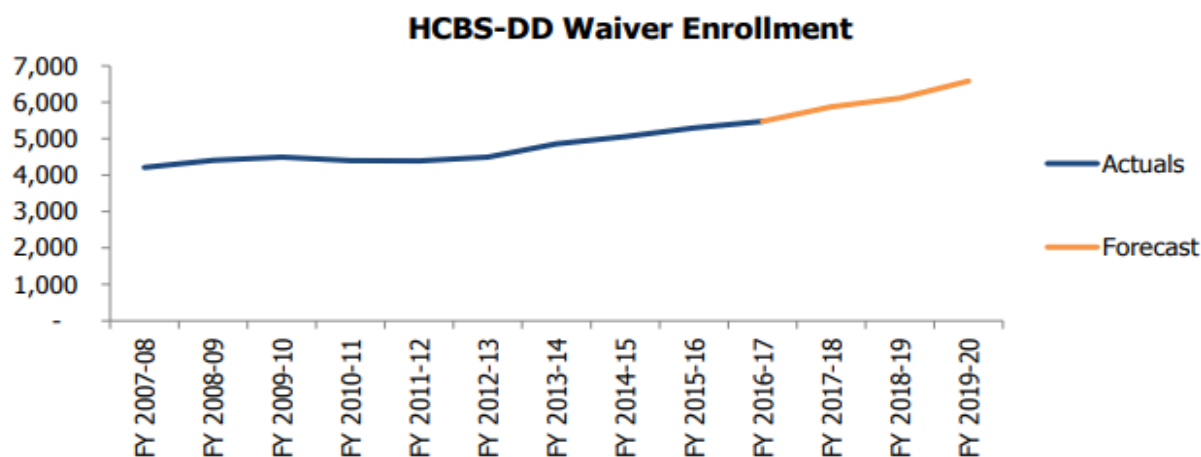
The Department estimates that 70 percent of individuals on the HCBS-DD waiting list are currently receiving services through the HCBS-SLS waiver, while an additional six percent are receiving services from the HCBS Elderly, Blind, and Disabled (EBD) waiver, five percent are receiving Medicaid State Plan services only, and 19 percent are not receiving any services.⁵

E. Enrollment Trends

Over the past five years, enrollment in waivers that serve individuals with IDD has grown by 45 percent and enrollment is projected to continue to increase by an additional 24 percent in the next three years.⁶ HCBS-DD waiver enrollment has grown steadily since 2007, as demonstrated in Figure 3 below.

Maximum individual enrollment in the HCBS-DD waiver is determined through legislative appropriation and then, federal approval. Each year, the Department calculates ongoing appropriation requests based on current waiver enrollment. In addition to ongoing appropriation, the Department forecasts additional enrollments (i.e., emergency, foster care transitions, members moving from an institutional setting into the waiver, youth transitions from the HCBS Children's Extensive Supports (HCBS-CES) waiver, and churn). The current maximum unduplicated enrollment for FY 2018-19 is 6,338.⁷

Figure 3: HCBS-DD Waiver Enrollment Growth, 2007-2019⁸



⁵ Colorado Department of Health Care Policy and Financing, Office of Community Living, FY 2019-20 Joint Budget Committee Hearing Agenda, December 19, 2018 at http://leg.colorado.gov/sites/default/files/fy2019-20_hcphrg3.pdf

⁶ IBID

⁷ IBID

⁸ Colorado Department of Health Care Policy and Financing, Office of Community Living Cost and Caseload Adjustments FY 2018-19 Supplemental Request, FY 2019-20 Budget Amendment at https://www.colorado.gov/pacific/sites/default/files/8_percent20HCPF_percent2C_percent202019_percent20FEB_percent2C_percent20S-5_percent20Office_percent20of_percent20Community_percent20Living_percent20Cost_percent20and_percent20Caseload_percent20Adjustments.pdf

F. Spending

A number of factors determine the overall cost of waiver services, including the number of individuals eligible for and enrolled in a waiver, the number of providers willing and able to provide services, the ranges of reimbursement for each type of service, and the utilization of services.

Table 2: Adults with IDD HCBS Waiver spending FY 2007 – 2018⁹

| Row | Fiscal Year | HCBS – Adult Comprehensive Services Waiver (HCBS-DD) | HCBS – Supported Living Services Waiver (HCBS-SLS) |
|-----|-------------------|--|--|
| A | FY 2007-8 | \$202,943,588 | \$39,607,629 |
| B | FY 2008-9 | \$223,362,025 | \$46,391,718 |
| C | FY 2009-10 | \$253,798,612 | \$37,399,799 |
| D | FY 2010-11 | \$273,096,876 | \$37,579,497 |
| E | FY 2011-12 | \$264,899,518 | \$37,030,578 |
| F | FY 2012-13 | \$261,817,957 | \$37,273,663 |
| G | FY 2013-14 | \$282,475,249 | \$39,288,448 |
| H | FY 2014-15 | \$314,878,204 | \$44,654,327 |
| I | FY 2015-16 | \$330,217,987 | \$53,275,897 |
| J | FY 2016-17 | \$347,057,913 | \$58,395,990 |
| K | FY 2017-18 | \$372,706,454 | \$64,188,404 |
| L | Estimated 2018-19 | \$414,664,927 | \$65,618,837 |
| M | Estimated 2019-20 | \$485,302,558 | \$73,787,216 |
| N | Estimated 2020-21 | \$506,690,539 | \$82,070,589 |

About 50 percent of waiver costs are funded by the federal government, with the remainder funded by state general and cash funds. Costs and a breakdown by funding source for both waivers for FY 2016-17 are provided in Table 3 below.

Table 3: HCBS-DD and HCBS-SLS Program Costs FY 2016-17¹⁰

| Waiver | Program Costs 2016-17 |
|---|-----------------------|
| Adult Comprehensive (HCBS-DD) | \$350,220,297 |
| General Fund | \$176,014,027 |
| Cash Funds | \$1 |
| Federal Funds | \$174,206,269 |
| Adult Supported Living Services (HCBS-SLS) | \$72,484,492 |
| General Fund | \$38,522,702 |
| Cash Funds | \$4,645,469 |
| Federal Funds | \$29,316,321 |

⁹ IBID

¹⁰ IBID

An additional factor that impacts cost and spending is the number of people who are on a waiting list for enrollment into the waiver, and whether funding is appropriated to enroll these individuals into the waiver. In FY 2012-13 and 2013-14, the Department requested and received additional funding to eliminate the waiting list for the HCBS-SLS waiver. To prevent new waiting lists, the General Assembly must provide new funding each year to allow for growth in the HCBS-SLS and DD waivers. Currently, only the HCBS-DD waiver has a waiting list for services; as of the April 30, 2019, there were 2,863 people on the list.

The Department may also receive funding for emergency enrollments for the HCBS-DD waiver. Emergency enrollments are reserved for individuals who meet certain criteria including but not limited to homelessness, poses a danger to others, or is a danger to self. Between FY 2013-14 and FY 2017-18 the number of HCBS-DD waiver emergency enrollments authorized each month has steadily increased.

More details about current spending for both the HCBS-SLS Waiver and the HCBS-DD Waiver are provided in Section VIII.

G. Colorado's Waivers for Individuals with IDD Compared to Other States

It can be helpful to think about Colorado's waivers in comparison to waivers managed in other states. Important areas to consider include spending on services, the percentage of services that are provided within the community versus in institutional settings, measures of the quality of services, outcome measures, and the degree to which innovations are occurring that improve services while maintaining financial sustainability of waivers. The following explores elements of different states' waivers and is not intended as an overall comparison of waivers.

1. Spending

In terms of spending, Colorado spends less than most other states on HCBS waivers. Colorado ranked 28th in the nation in Fiscal Year 2017 for HCBS 1915(c) expenditures for IDD waivers, which was a rise from 33rd in 2016.¹¹ This equates to \$36,600 spent per enrollee which is below the national average of \$44,200.

2. Community vs. Institutional Settings

In terms of rebalancing (i.e., the percentage of people who are served in the community via HCBS waiver services rather than in institutional settings), Colorado performs well compared to other states. Colorado ranks 14th in the nation with 91 percent of individuals receiving services as home and community-based services.

¹¹ Musumeci, M, Chidambaram P, and O'Malley, W. *Medicaid Home and Community-Based Services Enrollment and Spending*. Kaiser Family Foundation and Watts Health Policy Consulting Issue Brief. April 2019 at <http://files.kff.org/attachment/Issue-Brief-Medicaid-Home-and-Community-Based-Services-Enrollment-and-Spending>

3. Quality of life

Colorado contributes data to the National Core Indicators (NCI) which is a program to gather a standard set of performance and outcome measures that can be used to track state performance over time. According to the latest NCI data, Colorado performs well on HCBS waiver participant choice and decision-making, with more individuals with IDD choosing where they live (63 percent vs. 57 percent across participating states) and more individuals choosing staff or being aware they could choose to change staff (81 percent vs. 65 percent across states).¹² Although Colorado does not use self-direction service delivery models in programs for people with IDD as much as some other states, the State does offer HCBS-SLS waiver enrollees Consumer-Directed Attendant Support Services (CDASS), which allows the individual to direct and manage attendants who provide services, rather than working through an agency. In addition, individuals in the HCBS-DD waiver have access to the Paid Family Caregiver model of service delivery, meaning members can choose to have their family provide many different services for them either in the family home or in the member's home.

More individuals with IDD in Colorado have paid jobs in the community than average (24 percent vs. 18 percent across participating states). The IDD Waiver Redesign's proposed Employment Supports service is being designed to meet the provisions of SB 16-077 regarding a collaborative multi-agency approach to increasing competitive, integrated employment opportunities for persons with disabilities, and, therefore, advancing an Employment First policy.

Colorado has led the way for other states on several aspects of waiver design, such as implementing a Host Home shared living arrangement, being one of the first states to adopt this model. Also, implementing a "Money Follows the Person" grant for transitioning individuals from institutional settings back into their community, or for individuals who want to transition from a more congregate setting to a more individualized, independent setting. More details about how Colorado's waivers compare with other states' waivers, and about innovations in other states, are provided in Section VII.

III. History of Colorado's Waiver Redesign Efforts

The LTSS financing and delivery system has evolved over time out of public programs designed to care for poor and disabled populations living in institutional settings. In 1981, Section 1915(c) of the Social Security Act established the Medicaid HCBS waiver program to help meet the needs of people who prefer to receive LTSS in their home or community, rather than in an institutional setting. Since this time, states have used waivers to manage the number of people served and the services provided through the Medicaid program. Medicaid is the primary payer for LTSS in Colorado and nationwide.

In 1983, Colorado implemented its HCBS-DD waiver and in 1996 the HCBS-SLS waiver. In 2013, the Office of Community Living was established within the Department by then Governor John W. Hickenlooper's

¹² National Core Indicators Adult In-Person Survey. Colorado Report 2017-2018.
https://www.nationalcoreindicators.org/upload/state-reports/2017_IPS_CO.pdf

Executive Order D 2012-027. The Executive Order called for “... an effective system of services and supports to enable aging Coloradans and those with developmental, mental and physical disabilities to live in the community.” The goal of the Office is to “redesign all aspects of the long-term services and supports delivery system, including service models, payment structures and data systems to create efficient and person-centered community-based care.”¹³ The Executive Order also directed the Office to create the Community Living Advisory Group (CLAG) to assure stakeholder representation.

A. Community Living Advisory Group

As noted above, the statewide CLAG was formed in 2012 by the Office of the Governor to formulate policy goals and recommendations for achieving the aims of the U.S. Supreme Court’s *Olmstead v. L.C.* (527 U.S. 581; 119 S.Ct. 2176) ruling and reform the state’s LTSS System. One key recommendation made by the CLAG – and the focus of this report – was for the Department to simplify its adult HCBS waivers; specifically recommending that the Department consolidate its two HCBS adult waivers for individuals with IDD. The CLAG recommended the Department form a stakeholder workgroup to further develop the concept of a consolidated waiver. The CLAG’s final report is provided in Appendix B.

B. Waiver Redesign Workgroup

The CLAG recommended that work to redesign the waiver should continue beyond the CLAG’s final report. In response, and building off the work of the CLAG, the Department organized the Waiver Redesign Workgroup (Workgroup) in January 2015. The Workgroup was comprised of stakeholders of diverse backgrounds and perspectives, including individuals receiving HCBS waiver services, their family members, professional advocates, and representatives from provider agencies and CCBs. The Workgroup analyzed waiver services and supports currently available, discussed and refined the CLAG’s recommendations, and developed additional recommendations regarding services, policies, and practices that would be most supportive of adults with IDD. In April 2015, the Workgroup completed a report of its findings and recommendations entitled “Redesign Workgroup for Waivers Serving Adults with Intellectual and Developmental Disabilities Summary and Recommendation Report”, which is provided in Appendix C.

C. Legislation

In the 2015 legislative session, the Colorado General Assembly passed House Bill (HB) 15-1318, instructing the Department to consolidate Colorado’s two adult IDD HCBS Waivers. Governor Hickenlooper signed HB 15-1318 into law on June 5, 2015. Colorado codified the legislation in the Colorado Revised Statutes at CO Rev Stat § 25.5-6-409.3 (2016), which took effect on August 5, 2015. As stated in the legislation, the redesigned waiver must include flexible service definitions, provide access to services and supports when and where they are needed, offer services and supports based on the individual’s needs and preferences, and incorporate the following principles:

¹³ State of Colorado Executive Order D 2012-027, July 5, 2012 at <https://drive.google.com/file/d/1V8ly2s0w6w7oAPt1oBS5bNHGtK85T9vh/view>

- Freedom of choice over living arrangements and social, community, and recreational opportunities;
- Individual authority over supports and services;
- Support to organize resources in ways that are meaningful to the individual receiving services;
- Health and safety assurances;
- Opportunity for community contribution; and
- Responsible use of public dollars.

D. Stakeholder Meetings

Over the summer of 2015, the Department hosted stakeholder meetings in communities throughout the State to solicit input and feedback on the Workgroup's recommendations. The results of these meetings can be found in a Department report entitled "Addendum to the Summary and Recommendations Report", which is provided in Appendix D. Thereafter, the Department began evaluating and planning for the implementation of the Workgroup's recommendations, including transitioning the Workgroup to a new Waiver Implementation Council (WIC). The WIC was charged with consulting with and advising the Department in redesigning services for a consolidated adult IDD waiver. In October 2018, the Department and the WIC expanded from a formal representative stakeholder process to more directly draw from the statewide stakeholder community's consultation and advice for the remaining development and implementation of a redesigned waiver. During this time, the Department worked internally and with stakeholders to design and develop the proposed waiver's Service Coverage Standards (SCS), described in Section VI. The Department's work with stakeholders covered a range of issues on the potential fiscal, programmatic, and operational impacts of the proposed waiver, including discussions and review of studies on rates, self-direction, person-centered initiatives, provider monitoring, services streamlining, payment methodologies, and many others.

E. Budget Request

In November of 2017, the Department submitted a budget request to the Colorado Joint Budget Committee (JBC), entitled "Priority: R-19 IDD Waiver Consolidation Administrative Funding FY 2018-19 Change Request", which is provided in Appendix E. The request was made because the work that had been conducted starting in 2016 uncovered several additional issues that required further analysis and stakeholder vetting. For example, the Department had previously hired a contractor to model different options on how the Residential Habilitation service could be implemented in a consolidated waiver. The contractor was able to provide some cost estimates but within the timeframe funding was available, the contractor was unable to provide the Department with enough data to accurately predict how the Support Level in the HCBS-DD and HCBS-SLS waivers would convert under a consolidated waiver. The Department also needed to examine how the current Supports Intensity Scale (SIS)/Support Levels would be consolidated in a redesigned waiver. The development of the Support Levels is crucial to estimating the utilization impact of the Residential Habilitation and other services and required the help of a specialized contractor to develop before further analysis could be done. As a result, the Department

did not have the detailed analysis required to decide how to include certain services, specifically Residential Habilitation, in the consolidated waiver.

Additionally, through stakeholder engagement and contractor work, the Department had identified the need for training, developing, planning, and implementing a transition plan for gradually enrolling individuals into the redesigned waiver to help ensure the waiver redesign was performed efficiently. Finally, as the Department and contractors continued to design and develop the consolidated waiver, stakeholder engagement and input continued to be essential to ensure the waiver would continue to meet the needs of the clients impacted by the consolidation. To meet all of these needs, in state FY 2018-19 the Department requested \$478,500 total funds, including \$239,250 from the General Fund and in FY 2019-20, \$177,000 total funds, including \$88,500 from the General Fund to hire contractors to continue work related to consolidating the HCBS-DD and HCBS-SLS waivers and submit the waiver application to CMS for review and approval.¹⁴

IV. Stakeholder Engagement

Stakeholder engagement has been a central element of the waiver redesign process. Several of the stakeholder groups that have been involved are described in the previous section, including the CLAG, the Workgroup, and the WIC. In this section, the full history of stakeholder engagement is provided, beginning with the CLAG in 2012 and ending with the current stakeholder engagement activities through May 2019. Figures 5a and 5b on the following pages illustrate these stakeholder engagement activities.

As a result of these efforts, a robust and multifaceted stakeholder engagement and communication process is in place. In addition to participating in stakeholder meetings, stakeholders can call the Department, send emails directly to the Department or via the waiver consolidation project email address. Throughout the stakeholder input process, the Department has continued to work internally and with stakeholders to design and develop the proposed components of the Service Coverage Standards. In tandem, the Department and stakeholders are analyzing the proposed waiver's fiscal, programmatic, and operational impacts.

A. Community Living Advisory Group Meetings

As noted in Section III, the CLAG formed in 2012, with the goal of formulating policy aims and recommendations for achieving the mandate of the U.S. Supreme Court's *Olmstead* ruling and advancing community living in Colorado. One recommendation of the CLAG was for the Department to simplify its adult HCBS waivers via consolidation of the two adult IDD waivers. The CLAG consisted of a variety of stakeholders participating in both the Advisory Group and its sub-groups including consumers, family members, other caregivers, advocates, providers, state and local agencies, and legislators. The Group was led by Senator Betty Boyd (Chairperson) and Lorez Meinhold (who represented the

¹⁴ Health Care Policy and Financing Request to the Colorado Joint Budget Committee. Priority: R-19; IDD Waiver Consolidation Administrative Funding; FY 2018-19 Change Request. 2017.

Department). The Advisory Group constituted and oversaw the work of six subcommittees: 1) Care Coordination Subcommittee, 2) Consumer Direction Subcommittee, 3) Entry Point / Eligibility Subcommittee, 4) Regulatory Subcommittee, 5) Waiver Simplification Subcommittee, and 6) Workforce Subcommittee. A full list of members of the Advisory Group and its Subcommittee can be found on pages 38-44 of the CLAG Final Report, which is provided in Appendix B.

The CLAG met in person monthly until September 2014, and their work represents over 3,000 hours of effort by 190 stakeholders. The CLAG completed its work with the delivery of a set of recommendations outlined in the CLAG Final Report.

B. Waiver Redesign Workgroup Meetings

In September 2013, the Department organized the Waiver Redesign Workgroup. As noted previously, the Workgroup included stakeholders with diverse backgrounds and perspectives, including individuals receiving services, family members, professional advocates, and representatives from provider agencies and the Community Centered Boards. The Workgroup was formed in response to a 2013 recommendation by the CLAG that the Department's Division for Intellectual and Developmental Disabilities convene a workgroup "to begin the process of exploring the advantages, disadvantages, and fiscal implications of a redesigned Home and Community-Based Services (HCBS) waiver to support eligible adults with intellectual and developmental disabilities (IDD)."

The Department communicated the opportunity to participate on the Workgroup through Informational Memos (referred to as Communication Briefs prior to 2018), emails, calls, and word of mouth from engaged stakeholders to others. Members of the Workgroup were chosen to "ensure representation from a broad range of stakeholder perspectives and included individuals receiving services, their family members, professional advocates, and representatives from waiver service providers and the Community Centered Boards"¹⁵ comprising 16 individuals. The Workgroup was facilitated by Health Management Associates (HMA).

The Workgroup met monthly from October 2013 through January 2015. During that time, Workgroup members conducted an analysis of the services and supports currently available, discussed and refined the CLAG's recommendations, and developed additional recommendations regarding services, policies, and practices that would be most supportive of adults with IDD. The Workgroup's final product, issued in April 2015, was a report of its findings and recommendations, which is provided in Appendix C.

Following completion of Workgroup's final report, in May and June 2015, the Department organized and hosted ten stakeholder meetings across Colorado, designed to solicit input and feedback from additional stakeholders about these recommendations, with an emphasis on ensuring that the needs, voices, and

¹⁵ Colorado Department of Health Care Policy and Financing, Office of Community Living, Redesign Workgroup for Waivers Serving Adults with Intellectual and Developmental Disabilities Summary and Recommendations Report. April 30, 2015. Provided as Appendix C.

concerns of rural stakeholders, parents and family members, individuals being served by the waivers, and providers were heard and documented. Additionally, these meetings were designed to exchange information on waiver redesign, solicit feedback on the recommended changes, share ideas for improving services, and allow stakeholders to get to know Department staff and other community members. The Department issued invitations and publicized the meetings through social media, communication briefs, meetings with providers and advocacy organizations, and post cards mailed to individuals enrolled in a waiver serving adults with IDD.

Stakeholder meetings were held in Grand Junction, Sterling, Loveland, La Junta, Alamosa, Durango, Colorado Springs, Denver, and Steamboat Springs. Additionally, one virtual meeting was held for stakeholders who were unable to attend an in-person meeting. Each meeting followed the same agenda, which included a welcome and introductions, an overview of Medicaid long term supports and services (LTSS), HCBS waivers, and an overview of the stakeholder process used to develop the recommendations and gain additional stakeholder feedback on the recommendations. Stakeholders were informed that their input would be incorporated into an addendum to the recommendations report. The results of those meetings were recorded in a report entitled “Addendum to the Summary and Recommendations Report”, which is provided in Appendix D.

C. Waiver Implementation Council (WIC) Meetings

A key recommendation of the Waiver Redesign Workgroup was that a stakeholder group be involved in the implementation of next steps. Based on that recommendation, the Department worked with stakeholders to design and convene the Waiver Implementation Council (WIC) and transitioned the duties of the Waiver Redesign Workgroup to the WIC in April 2016. The Department marketed the opportunity for stakeholder engagement through Communication Briefs, emails, phone calls, information on the Department website, and via word of mouth from engaged stakeholders to others.

The WIC was formed via a formal application process, with a desire to ensure that it was representative of providers, case managers, families, advocates, and individuals receiving services, and that it included representation from across Colorado, including rural and urban areas. Interested applicants submitted an “interest form”, which was reviewed by the Department. The Department received a large and competitive pool of interest forms, and there was a limit of 30 seats for the WIC. Candidates were evaluated using quantitative and qualitative criteria. The quantitative scoring weighted scores based on type of affiliation and the geographic area an applicant would be representing. Self-Advocates/Family Members had the most points allocated, then Volunteer or Paid Advocates, and lastly Providers and CCBs. Similarly, applicants from rural areas were weighted more heavily than other Metropolitan areas outside of Denver, with Denver weighted the least heavily. This helped ensure there was representation from as many areas across Colorado as possible, based on applications received.

The Qualitative Review Scoring process included a team of three Department staff and two community members that were not directly involved with the work of the WIC, and who volunteered to provide input as an outside party. These two community members were chosen through outreach to current and

previous members of the Member Experience Advisory Council (MEAC). The MEAC serves to help the Department develop a culture of person-centeredness by engaging the voices of members and their families and caregivers who are not usually at the table. In this review, the team considered all factors of stakeholder perspective, geographic perspective, experiential knowledge and thoroughness of completion of the interest form.

The purpose of the WIC was to carry out the recommendations from the Workgroup and provide input into implementation of the redesigned waiver. To that end, the WIC began meeting in August 2016. Early in the process, the WIC expressed to the Department a desire for the Department to be cautious, judicious, and thoughtful about redesigning the system and some members were concerned with the fast pace at which the redesign process was moving because the waiver redesign represents a fundamental systemic shift in policy and services for individuals with IDD. Stakeholders expressed that the welfare of people with IDD was at stake and the redesigned waiver must avoid unintended consequences.

Mindful of both the WIC's concerns and the waiver redesign target date stipulated by HB 15-1318, the Department developed several opportunities through which the WIC could provide more robust and intensive feedback without extending the timeline. The length of WIC meetings was extended; the Department contracted with facilitators to make meetings more efficient and discussion more robust; the WIC developed three subcommittees (1) Rates, 2) Quality, 3) HCBS Final Settings Rule/Person-Centeredness Initiatives and Self-Direction) and held six subcommittee meetings; and the Department created an online forum for additional WIC discussion and to offer full transparency in service research and development. Through these actions, the Department gained significant input from the WIC in a relatively short period of time.

Through the WIC process, concerns were uncovered that required additional resources and time to resolve. Specifically, the WIC, other stakeholders, and the Department identified a need for additional research and deliverables particularly surrounding the Residential Habilitation Service. Subsequently, the Department engaged an Actuarial firm to develop a Support Level Module and Cost Modeling and to analyze the fiscal impact of consolidating the waivers, with specific attention to the costs associated with providing access to Residential Habilitation to the expanded, combined IDD waiver population.

Because several members retired or left the WIC and increased interest from additional stakeholders in joining the WIC, in the Spring of 2018, the WIC went through a re-application process to bring on several new members. As with the first application process, preference was given to individuals receiving services and family members. This new group began meeting in August 2018 and met until October of 2018.

The new WIC met for three months before a decision was made to make the WIC more open and accessible to more people, and to provide family stakeholders more opportunity to have their voices

heard. In October 2018, the Department and the WIC expanded from a formal representative stakeholder process to more directly draw from the statewide stakeholder community's consultation and advice for the remaining development and implementation of a redesigned waiver.

D. Adult IDD Waiver Redesign Stakeholder Meetings

From January 2019 until April 2019, the Department worked with stakeholders, including family members, to develop a new process that was more inclusive, and the WIC transitioned into the Adult IDD Waiver Redesign Stakeholders group. Family stakeholders suggested the new structure and the larger group of stakeholders voted to approve the structure. This new structure includes using stakeholder co-chairs to help build the agenda and develop the structure of the meetings and the overall process, with family stakeholder groups having two co-chairs and providers having one. Additionally, the new structure includes having separate co-chair meetings, in which the timing of upcoming meetings and agendas are decided. This new group had its first meeting in March 2019 and is meeting frequently to hear results from the actuarial modeling of potential costs of a redesigned waiver, and to provide additional input on Service Coverage Standards.

E. Other Components of Stakeholder Engagement

In addition to convening formal stakeholder groups, the Department has developed several other mechanisms for stakeholders to be engaged in the processes and to share their feedback. One is an online forum that stakeholders asked the Department to create, which provides an additional opportunity for stakeholders to get information about what is happening relative to the waiver redesign process, to engage with each other, and to submit questions to the Department. The "WIC Online Forum" was created and launched in April 2017 and, to date, the Department has received and responded to 450 questions from stakeholders. In addition, the Department developed a Question and Answer Document for Residential Services & Personal Supports¹⁶ to capture all stakeholder input and questions related to changes to the service definitions, as well as Department research and responses to questions. The Department also created a stakeholder email inbox for the waiver consolidation project to provide another mechanism by which stakeholders can reach the Department with questions, concerns, or ideas. Figure 4 illustrates the range of questions that stakeholders asked about the service and coverage standards.

¹⁶ Colorado Department of Health Care Policy and Financing . Adult IDD Waiver Redesign Stakeholders Question & Answer Document Residential Services & Personal Supports. June 2019.
<https://www.colorado.gov/pacific/sites/default/files/Waiver%20Redesign%20Stakeholder%20Questions%20%20Department%20Answers%20-%20Residential%20Services%20and%20Personal%20Support%20%206-18-19.pdf>

Figure 4: Service and Coverage Standards Stakeholder Question Topics

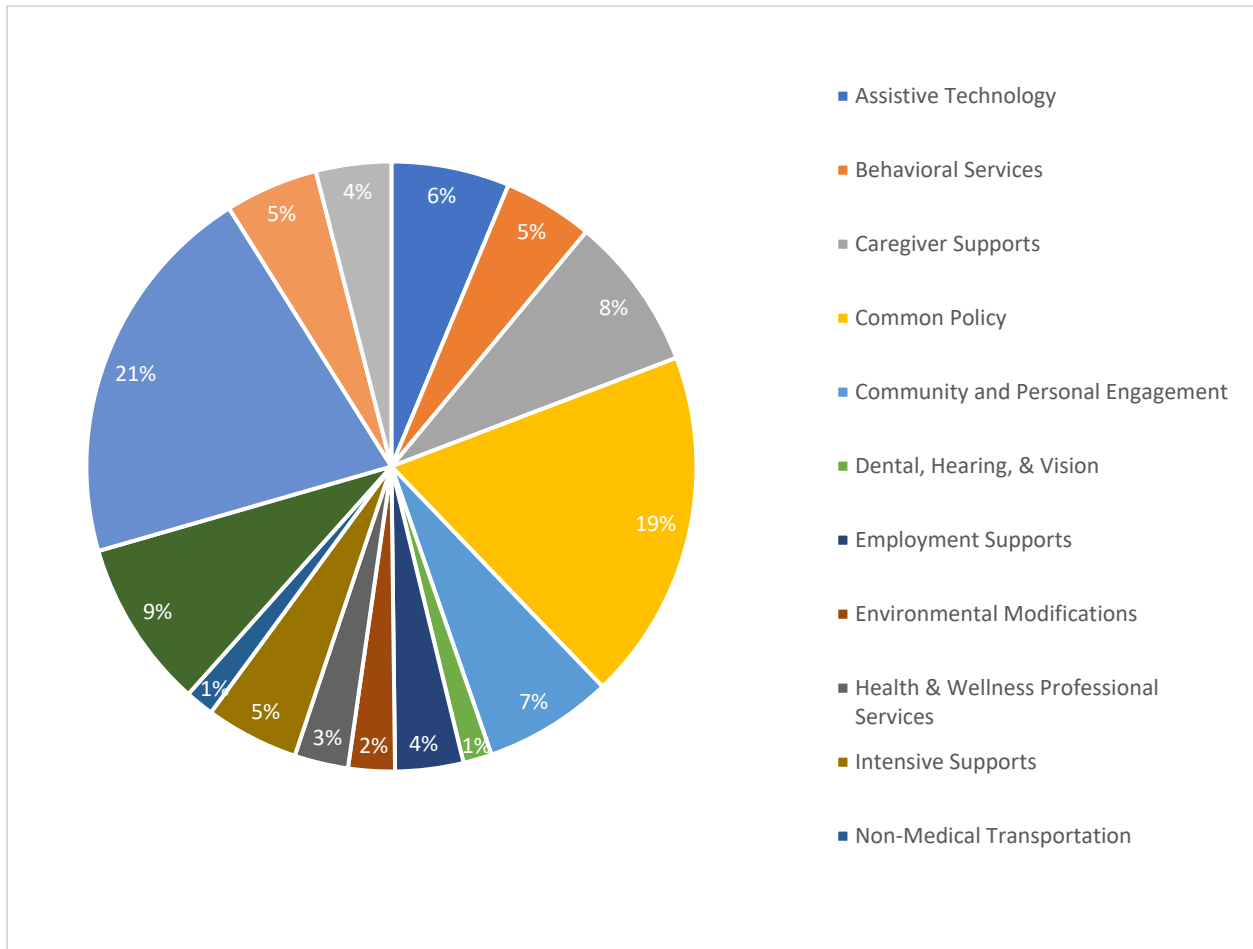


Figure 5a: Stakeholder Meetings and Input Processes, September 2012 - June 2018

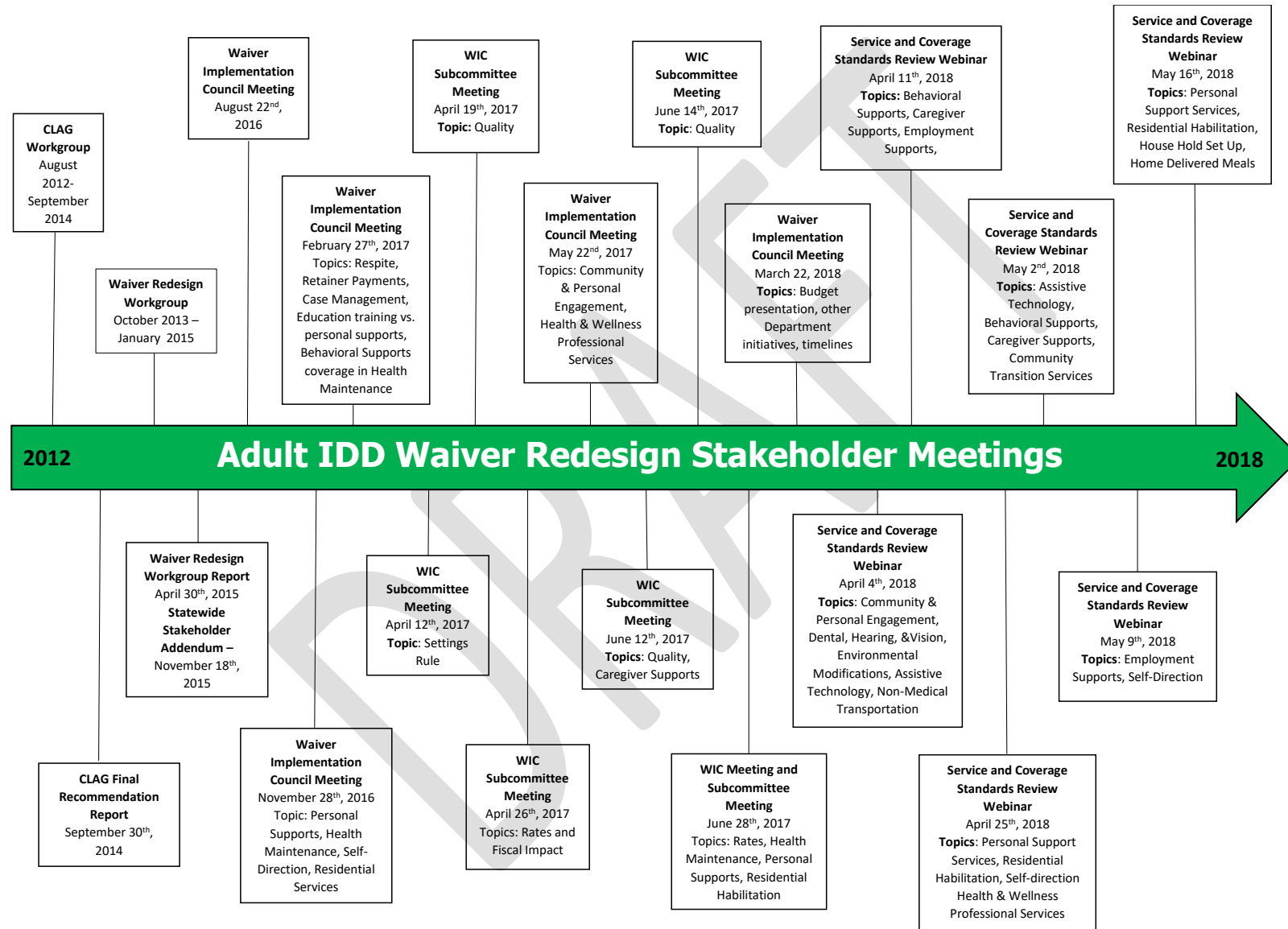
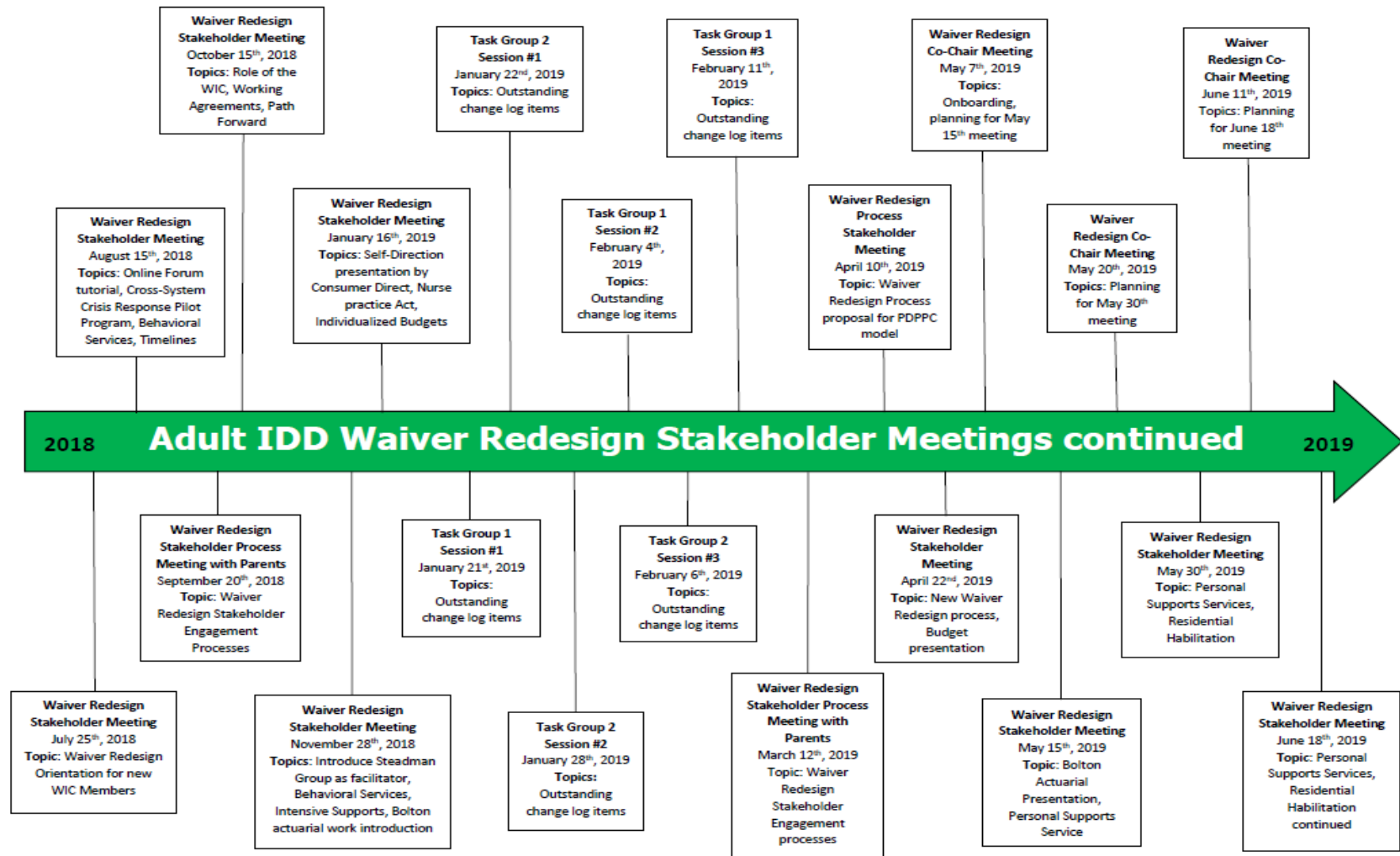


Figure 5b: Stakeholder Meetings and Input Processes, July 2018 - Present

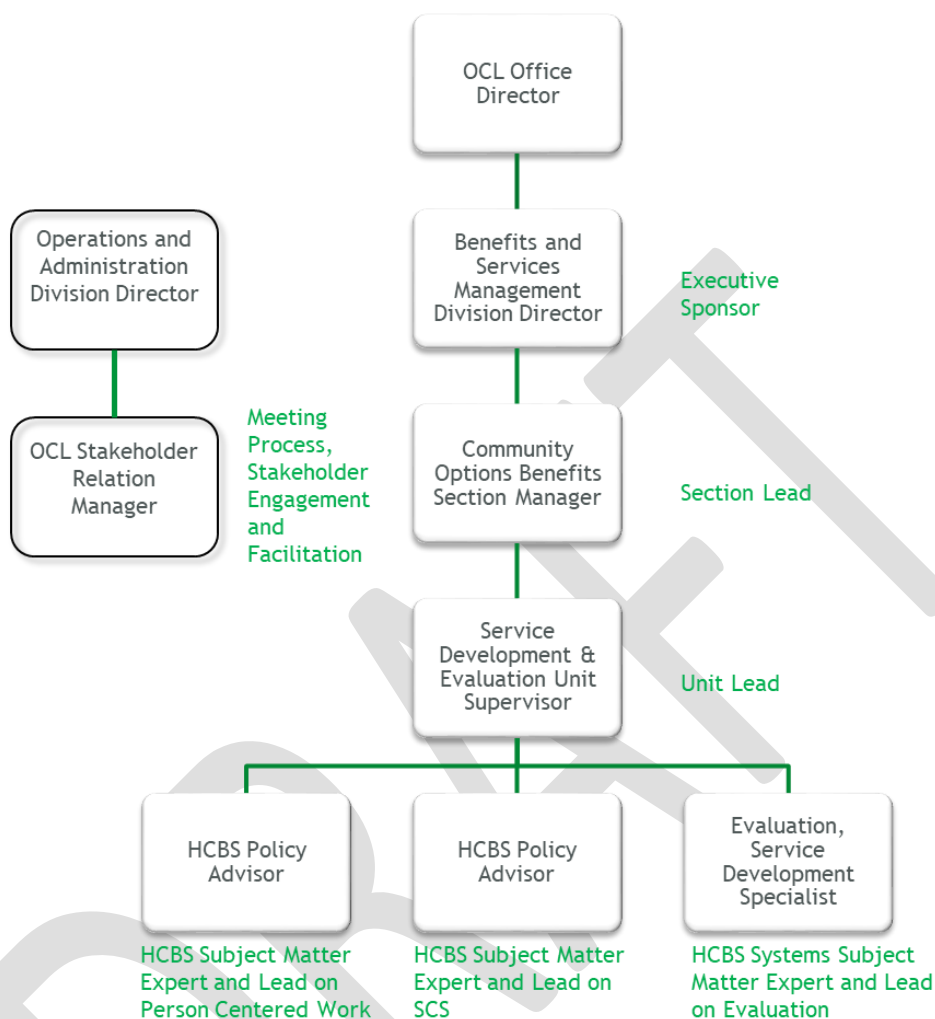


V. IDD Waiver Program Design

This section describes the process the Department went through to identify potential options for waiver redesign. This work falls under the Community Options Benefits Section under the Benefit and Services Management Division within the Office of Community Living (see Figure 6), whose staff have supported the research concerning a consolidated waiver across various program areas, including Budget, Finance, Legislative Management, Program Development and Evaluation, Quality and Risk Management, and Research and Data Analysis. This cross-programmatic work has included:

- Policy development and analysis
- Data analysis and management
- Contract management
- Budget development and budget request development
- National and state policy trend analysis regarding program design
- Appropriate community funding management and allocation
- Strategic plan development
- Legislative analysis and technical assistance
- Protocol coordination and development for cross system issues and policies

Figure 6: Service Development and Evaluation Unit Organizational Chart



A. Centers for Medicare and Medicaid Services Technical Assistance

As part of the Department's efforts to develop a strategic plan to meet its commitment to community living through Medicaid waiver programs, in September 2017, the Department initiated conversations with the Centers for Medicare and Medicaid Services (CMS) concerning the waiver consolidation project. CMS recommended the Department request CMS Technical Assistance (TA) through the TA form. In July 2018, through CMS's HCBS TA, the Department began working with Mary Sowers, Director of Special Projects, Robin Cooper, Director of Technical Assistance, and Mary Lou Bourne, Director of National Core Indicators and Quality Assurance at National Association of State Directors of Developmental Disabilities Services (NASDDDS) and New Editions Consulting, Inc. (New Editions), which specializes in professional consulting services to the Federal government in health, disability, education and human services.

1. New Editions Consulting, Inc.

CMS's HCBS-TA.org provides technical assistance to state agencies pursuing 1915(c), 1915(i), 1915(j), and 1915(k) HCBS waivers and state plan options. CMS contracts with New Editions to provide technical assistance to states at all stages of program development, including in determining which authority will best meet their needs, understanding CMS requirements, and program design. As delineated in the Technical Assistance Plan approved by CMS, technical assistance provided by New Editions to the Colorado Department of Health Care Policy and Financing includes the following:

- Provide strategies that promote both quality improvement and cost savings
- Assist the Department with the development of the design and implementation plan of proposed new waiver services
- Assist the Department with the development of cost-effective, sustainable residential services that comply with the HCBS Final Rule requirements and advance HCBS Final Rule and HCBS policies
- Assist the Department with the development of transition plan(s) for consolidating waivers
- Assist the Department in complying with CMS requirements
- Provide procedures for waiver submission, CMS review, and redesigned waiver implementation
- Assist the Department in assessing quality

2. Human Services Research Institute (HSRI)

In January 2019, under the CMS-TA contract with New Editions, the Department consulted with the Human Services Research Institute (HSRI), to obtain specialized analytical assistance with developing the methodology and revised algorithm for Daily Support Time, based on national best practice research. HSRI was familiar with the algorithm methodology as they worked with Navigant to develop the original SIS and Support Level algorithm starting in 2006, with the Final Report submitted by HSRI in February 2009.

To develop the revised algorithm, HSRI reviewed methodologies of active Medicaid financed HCBS waivers across several states and service populations and reviewed publicly available information on the methodologies to provide a report outlining the strengths and weaknesses of each methodology for each selected waiver. The Final report, "Colorado System Redesign. Review of Methodologies Applying Assessment Results to Inform Individualized Funding Allocations", issued on February 27, 2019, is provided in Appendix F.

Of the 261 Medicaid Waivers identified, HSRI reviewed 44 waivers in 31 states that applied a methodology that resulted in an assessment-informed prospective budget allocation. Assessments used by states to inform budgets include nationally recognized instruments (e.g., Inventory for Client and Agency Planning (ICAP), Supports Intensity Scale (SIS)) as well as locally developed tools (e.g. the New Jersey Comprehensive Assessment Tool (NJCAT) and Montana Needs Assessment (MONA)). In each assessment reviewed by HSRI, the assessment was integral to determining the budget allocation. None

of the 44 methodologies calculated budget by selecting needed services, adding units, and multiplying by cost. HSRI categorized the 44 waiver budget methodologies as either:

1. **Individual methodology:** Individual-based waivers used a range of methodologies for calculation, including a formula-based approach. This method results in individuals receiving waiver services having a unique and distinct budget (25 percent of the 44 waivers reviewed).
2. **Level methodology:** Service populations are grouped according to common features of need identified on the assessment tool, and through other variables, such as age (75 percent of the 44 waivers reviewed (including Colorado)).

The final report presented a detailed overview of methods used contrasted with Colorado practices. The report highlighted the similarities and differences in Colorado's approach to budget development and allocation of resources, demonstrating to the State that its current approach is generally within the realm of the national norm, while also breaking down methodological elements to allow Colorado to assess whether to continue with the current framework or build off elements of other methods to create a framework that accounts for Colorado's values, goals, and specific circumstances.

B. Commissioned Research, Evaluation, and Analysis Work

Building on the HSRI and New Editions work, the Department reviewed other state approaches to the IDD service system to gain insight into promising practices in waiver design that would promote Colorado's goals. The Department reached out to states that were either comparable to Colorado, had innovative practices or were suggested by stakeholders, and reviewed their policies. For each state, the Department looked at elements such as funding per capita, service delivery models, self-direction practices, home and community-based services rebalancing, and employment supports. The Department funded a comparative analysis of HCBS services recommended by the Waiver Redesign Workgroup, including an in-depth review of strategies from Georgia, Indiana, Missouri, Oklahoma, and Wyoming. The Department also conducted in-depth interviews with Nebraska and Washington state staff in 2018 to understand the details around their waiver design. The findings from this state research is summarized in Section VII below.

VI. Service Coverage Standards Description and Methodology

Service and Coverage Standards delineate the specific services that are covered under the proposed consolidated redesigned IDD waiver including any limitations on coverage and who can provide the services. These documents are a medium for capturing, through updated versions, the Department's ongoing development of the services and their programmatic, operative, and fiscal specifications. In addition, the documents are a central tool for stakeholders to review the development of each service and to provide direct input. The documents will ultimately inform the content of the waiver application for a redesigned consolidated IDD waiver and the service's and waiver's governing rules. The waiver

application must be approved by CMS and the rules must be approved by the Colorado Medical Services Board (MSB).

When considering the waiver redesign, the Department conducted a crosswalk of services covered by the existing HCBS-SLS and HCBS-DD waivers to ensure the new consolidated waiver would help ensure a continuum, of coverage from existing services, and highlight additions, changes, and enhancements to the redesigned service array. This crosswalk is provided in Appendix G. This section reviews the process the Department used to redefine the Service and Coverage Standards, and outlines the current standards that could be incorporated into a future consolidated waiver.

A. Organization of Service and Coverage Standards

Each service covered under the waiver has a separate Service and Coverage Standard. The standard outlines the (1) definition of the service, (2) requirements of the service, (3) non-covered services, (4) any applicable limitations on use of the service, and (5) provider specifications and qualifications.

B. Service and Coverage Standards Iterations and Tracking

The Department developed coverage standards and service definitions utilizing a collaborative model, resulting in multiple iterations to ensure stakeholder input was incorporated. The CLAG first proposed a summarized core set of services from which the Department and stakeholders could build in redesigning the waivers. The initial draft revision of the service definitions was recommended by the Workgroup in 2015 after many months of meetings. In Spring 2016, the Department began to refine the service crosswalks and definitions, and over the remainder of the year, developed the concepts into the initial drafts of the Service and Coverage Standards. Since 2016, the Department has sought additional input from multiple stakeholder groups including the WIC and the stakeholder community. Most recently, the Department presented the latest draft of the services crosswalk at the May 15, 2019 meeting of the Adult IDD Waiver Redesign Workgroup.

In 2017, the Department launched an online forum to allow stakeholders to review documents and provide feedback virtually. The online forum offered full transparency in Service and Coverage Standards research and development via a change log that addressed every suggestion and where it was incorporated in the Service Coverage Standards and if not, why not. The Department ultimately moved away from the online forum in 2018, but, as noted earlier, has employed a Question and Answer Document for each service to capture all stakeholder input/questions received and Department research and responses beginning in April 2019. The question and answer document will serve as the primary source for publicly tracking stakeholder input and the Department's work on service definitions.

C. Service Summary

The services proposed for the consolidated and simplified waiver are outlined in Table 4. The Department has drafted individual Service and Coverage Standards that include comprehensive definitions of services for policy development and discussion purposes.

Table 4: Consolidated Waiver Services Summary

| Service | Summary Description |
|--|---|
| Assistive Technology | Assistive Technology are devices, services, and systems a member uses toward increasing, maintaining, or improving their ability to live in the home or community. Assistive Technology is available across the following waiver services: <i>Assistive Technology Device</i> ; <i>Assistive Technology Services</i> ; <i>Specialized Medical Equipment and Supplies</i> ; and <i>Personal Support Technology</i> , which further encompasses <i>Electronic Support</i> ; <i>Personal Emergency Response Systems</i> ; and <i>Medication Reminder Systems</i> . |
| Behavioral Services | Behavioral Services support a member with behaviors that limit and impair everyday functioning. Behavioral supports assist the participant in developing, maintaining, improving, or restoring, to the maximum extent possible, the ability to participate meaningfully in the community and meet personal goals. Behavioral Services include the following waiver services: <i>Behavioral Consultation</i> ; <i>Behavioral Plan Assessment</i> ; <i>Risk Assessment</i> ; <i>Individual/Group Counseling</i> ; and <i>Behavioral Line Services</i> . |
| Caregiver Supports | Caregiver Supports provide relief and education for the primary caregiver of a waiver member. Caregiver Supports are provided through the following waiver services: <i>Short-Term Support</i> , <i>Maintenance Support</i> , and <i>Caregiver Education and Counseling</i> . |
| Community and Personal Engagement | Community and Personal Engagement supports help individuals to develop and implement goals and aspirations for volunteer work, civic involvement, relationships, social capital, self-advocacy, and learning opportunities. |
| Dental, Hearing and Vision Services | Dental, Hearing, and Vision Services supplement services available under the Medicaid State Plan through the following waiver services: <i>Dental Services</i> ; <i>Hearing Services</i> ; and <i>Vision Services</i> . |
| Employment Supports | Employment Supports are services to support individuals to develop and implement goals and aspirations for Competitive Integrated Employment, including self-employment. |
| Environmental Modifications | Environmental Modifications are adaptations to a member's residence or vehicle that are necessary to support the member's sensory, physical, and behavioral health and welfare and that enable the member to function with greater independence in the home and community. Environmental Modifications include the following waiver services: <i>Home Modifications</i> ; and <i>Vehicle Modifications</i> . |
| Health and Wellness Services | Health and Wellness Services are treatment-oriented services that enable a waiver participant to meet an identified medical, behavioral, or health and wellness need. Health and Wellness Services include: <i>Acupuncture</i> ; <i>Chiropractic Care</i> ; <i>Expressive Therapy</i> ; <i>Hippotherapy</i> ; <i>Massage Therapy</i> ; <i>Services to Support Exercise</i> ; and <i>Passes to community recreation centers (when used to access professional services)</i> . |
| Home Maintenance Services | Home Maintenance Services maintain the member's primary residence in a clean, sanitary and safe environment. Home Maintenance Services include such tasks as washing floors, windows and walls, securing loose rugs and tiles, yard maintenance, snow removal, pest eradication, and moving heavy items or furniture to provide safe access and egress. |
| Intensive Supports | Intensive Supports offer a continuum of intensive, individualized behavioral health supports including intensive therapeutic, diagnostic, stabilization, assessment and treatment formulation; symptom monitoring; preventative, step-down, or reevaluation supports. Intensive Supports include the following waiver services: <i>Site-based Therapeutic Support</i> ; <i>In-Home Therapeutic Support</i> ; and <i>Short-term Therapeutic Support</i> . |

| Service | Summary Description |
|---------------------------|--|
| Nonmedical Transportation | Nonmedical Transportation services enable members to access waiver services and other community activities, resources, and services. |
| Personal Support Services | Personal Supports assist the member to live and participate fully in their community by supporting the member with activities of daily living and in pursuing what is important to them as indicated in their Person-Centered Support Plan. Services include supporting member's empowerment, self-advocacy, and independence and the member's health, safety, and welfare. |
| Residential Services | Residential Services (RS) support members whose needs require 24/7 access to supports that assist the member with activities of daily living and to live and participate fully in their community by supporting the member in pursuing what is important to them as indicated in their Person-Centered Support Plan. Services include supporting member's empowerment, self-advocacy, and independence and the member's health, safety, and welfare. |
| Transition Services | Transition Services support a member to develop and sustain independence to remaining in the community upon the member's transition from an institutional setting to a home and community based setting or from the member's transitioning over any change in life circumstance. Transition Services assist the client to establish community supports or resources where they may not otherwise exist. Transition Services include the following waiver services: <i>Life Skills Training (LST)</i> ; <i>Home-Delivered Meals</i> ; <i>Peer Mentorship</i> ; and <i>Transition Setup</i> , which includes <i>Transition Setup Coordination</i> and <i>Transition Setup Expenses</i> . |

VII. Best Practices

The Department has conducted a review of state IDD service systems to identify promising practices that Colorado could consider in its waiver redesign, as appropriate for Colorado's population and preferences. Across all states serving IDD populations, the Department has researched numerous topics of interest including but not limited to strategies for allocation of resources, self-direction, individualized budgets, provider capacity, overall waiver consolidation strategies, and assistive technology approaches. The Department has used best practices to inform waiver redesign in Colorado, recognizing that each state's unique environment, stakeholders, policies, and providers limits full applicability of any one strategy to Colorado. While no state has perfected all aspects of a waiver program, Colorado looked at different elements of several states' strategy to garner insights into promising practices.

A. Designs for IDD service system

States have designed their IDD service systems in different ways to accommodate funding and population needs. Overall, states are still experimenting with system designs to determine which approaches result in the best outcomes. The Department reviewed several aspects, some of which are outlined in Table 5, across comparison states.

Table 5: State IDD Service System Design Approaches

| Waiver Elements | State Approaches |
|-----------------------|---|
| Waiver structure | The structure of IDD waivers varies across states. The most common number of waivers for adults with IDD in a state is two. |
| Participant Direction | Most states reviewed offer participant directed models, which promote personal choice and control. The Fiscal Management (FM) Component is managed either by the managed care plan, the state, or the DD agency. |
| Waitlists | Many states have created offerings or limited benefits for persons on waitlists. States have created limited services or supports for people with minimal needs and offer a fast track to services if their condition worsens. States have also created waitlist prioritization to place people on waitlists in order of need. However, this design was critiqued as everyone on the list could be in critical need. |
| Assessment for Need | <p>States continue to struggle with assessments for services, self-directed budgets and waiver eligibility.</p> <ul style="list-style-type: none"> • Oregon and Kansas have experimented with multiple tools and program redesigns and still do not think they have the ideal tool. Oregon is working on the Functional Assessment Standardized Items (FASI). • Several states utilize the Supports Intensity Scale (SIS), including Hawaii and North Carolina. • States also utilize a regression-based algorithm model to determine budget trends, including Florida and Wisconsin. • Determinations for directed services vary from a simple set dollar amount based on cost neutrality to person-centered needs analysis with consideration for natural supports and community inclusion. |

B. Model State Approaches

Table 6 represents a small subset of state research conducted by the Department. Comparison elements of state IDD waivers were chosen based on likeness to Colorado, innovative practices, or stakeholder suggestion.

Table 6: State Best Practices for IDD Waivers

| Element | Best Practice |
|------------------------------------|--|
| Overall Approach | <ul style="list-style-type: none"> • States emphasized the importance of making sure promotion of independence and inclusion are at the forefront of waiver design and management, as well as being thoughtful about case management to ensure person-centeredness. Some states found overlapping services caused consumer confusion. |
| Assessments | <ul style="list-style-type: none"> • Kansas found that the process to assess the needs of all individuals in one waiver is problematic, forcing them to recreate their assessment twice. Oregon is working on its third iteration of the FASI assessment. |
| Consumer Choice and Self-Direction | <ul style="list-style-type: none"> • Wisconsin is a national leader in providing consumer choice and family preference. Their assessment for Level of Care and service planning is considered the gold |

| | |
|---------------------|--|
| | <p>standard for person-centeredness. Wisconsin has leveraged their Aging and Disability Resource Centers as true no wrong door entry points to the system.</p> <ul style="list-style-type: none"> • Maryland is going through a transformation to create a flexible person-centered system to support people and families with IDD. Their benefits are similar to a Money Follows the Person system without the limitations of timing. The state has built-in short-term exceptions to the budget in the event of caregiver needs, post hospitalization and other short-term care needs. They have also created a major outreach and marketing campaign as they change their system. • Oregon offers a self-directed option. However, services provided in the home are under a set wage requirement at \$13.00/hr. This limits the freedom of people to manage their budget in their own way. |
| Employment Supports | <ul style="list-style-type: none"> • Washington has strong services in place to support employment. They have a long-established network and good coordination between the counties and employers. They incentivize providers who assist individuals to establish longer working hours and higher salaries. • Kansas also offers a unique system for those who are employed. Participants can go off the waiver and receive “waiver-like-services” to assist them while working and if needed they can transition back to the waiver. This has opened space to others on the waiver and is successfully serving 300 people. |
| Residence | <ul style="list-style-type: none"> • Of all states reviewed, Florida has the highest percentage of persons with IDD living in the family home at 68 percent. • Pennsylvania offers a model shared living program. Life sharing supports individuals with intellectual disabilities to live with qualified adults who provide support in their home. Up to two individuals with a disability can live in a life sharing home. The commonwealth offers reimbursement to the provider agency for up-front “matching” of individuals with potential shared living home providers to increase choice for participants. |
| Waitlist | <ul style="list-style-type: none"> • Kansas offers exceptions to the waitlist for people who come from other waivers such as Traumatic Brain Injury and Autism. |

C. Lessons Learned for Colorado

Based on a review of Colorado’s IDD system performance and that of other states in key areas, the Department has identified opportunities for improvement in the waiver redesign. Colorado gleans best practices from other states by consulting with associations like the National Association of State Directors of Developmental Disabilities (NASDDDS), attending national HCBS Conferences, and interviews with other states. Technical Assistance partners from CMS also provide feedback to the Department as to what best practices to review and potentially adopt. Some examples include:

- **Shared Living Supports.** While Colorado has been a leader in developing the Host Home (shared living) model for individuals receiving Individual Residential Services and Supports, Pennsylvania has further advanced the model. Pennsylvania has put significant resources into refining the match criteria for individuals and hosts and providing respite and other supports for host families.

- **Technology-Supported Services.** States like Alaska, Delaware, Indiana, Missouri, New York, Ohio, Pennsylvania, Tennessee and Wisconsin have adopted a technology-centric approach. This includes using technologies like tele-caregiving, remote monitoring sensors and specialized mobile applications to support independent living and self-determination. Some states like Missouri reimburse for remote monitoring technology installation and monitoring while others have provided funding to organizations to implement technology solutions.¹⁷
- **Value-based payments.** Many states are interested in exploring how to encourage positive practices through financial incentives. For example, some states are looking to enhance payments for case management entities who excel at incorporating person-centered practices. Others are looking into incentivizing the use of technology instead of direct support staffing.

This is just a small sampling of innovative practices that Colorado has and will continue to look towards when contemplating waiver redesign.

VIII. Utilization and Finance

The Department conducted various internal analyses to assess the potential impact of waiver design options on the target population and Colorado overall. In October 2018, the Department contracted with Bolton Health Actuarial, Inc. (Bolton), a national, independent actuarial and employee benefits firm, to perform cost impact analyses associated with combining the SLS and DD waivers into a single waiver serving the IDD population. On November 28, 2018, the Department held a Waiver Consolidation Project meeting with stakeholders to introduce the Bolton team, discuss the proposed approach, including its limitations, and allow stakeholders to raise any concerns or comments. On June 26, 2019, Bolton-submitted to the Department their final report *Intellectual and Developmental Disabilities Waiver Redesign Project Cost Modeling*, evaluating the costs of maintaining the status quo against three waiver combination scenarios proposed by the Department: 1) combine the SLS and DD waivers, 2) combine the waivers and add services, and 3) combine the waivers, add services, and remove some specific service limits currently in place. The report can be found in Appendix H.

If any changes to the program, scenarios, or fee schedules are implemented subsequent to the Bolton report, the Excel models would need to be updated to reflect these changes. Current models are based on fee schedules of March 2019.

¹⁷ Threnhauser, S. *Are You in A 'Technology First' State? What Does That Mean?* Open Minds. March 28, 2019. <https://www.openminds.com/market-intelligence/executive-briefings/are-you-in-a-technology-first-state-does-it-matter/>

A. Methodology and Model Design

To inform the model for estimating costs, Bolton conducted research on other existing waiver programs in Florida, Hawaii, Kansas, Missouri, North Carolina, Pennsylvania, Texas, Washington, and Wisconsin. This included reviewing program parameters, covered services, benefit limits, provider reimbursement rates, and caseloads. They also reviewed IDD waiver programs in Idaho, Ohio, Minnesota, and Utah to provide estimated costs for new services. They summarized utilization statistics as well as provider reimbursement rates for services provided in the Colorado HCBS Children’s Extensive Support (CES) and Colorado Spinal Cord Injury (SCI) waivers related to proposed new services for this analysis. They also analyzed data and estimates for the Colorado Cross-System Response for Behavioral Health Crises Pilot Program to inform cost estimates. Finally, Bolton identified resources and statistics relevant to this initiative using resources from the National Association of State Directors of Developmental Disabilities Services (NASDDDS), as well as representatives from HSRI.

The Bolton team deployed a two-module excel-based model to estimate cost impacts of each scenario. The Bolton Model was guided by the Department’s foundational principle of creating a waiver that included “an array of broad, flexible services and spectrum of service delivery options that enhance individual choice, autonomy and community engagement. This waiver will also employ Person-Centered Planning and service delivery that provides for health and safety assurances and sound stewardship of public funds”¹⁸. In addition, the Model adhered to three guiding principles for combining the waivers:

1. Minimize member disruption
2. Improve upon the current waivers where possible (e.g., provide self-direction options, more flexible additional services, enhance provider qualifications)
3. Ensure the waiver redesign work does not result in a reduction of resources available to people currently receiving services.

The Model is composed of two modules: The Support Level Module and the Cost Impact Module.

1. Support Level Module

Bolton developed the Support Level Module to assist the Department in evaluating the impact of various approaches to defining member characteristics for use in setting budgets. The Support Level Module allows the Department to categorize members by Support Level based on scores from the Supports Intensity Scale (SIS) assessment. The Department has defined seven support levels with the highest level being exceptional. The Module also allows the Department to determine individuals who have Daily Supports Needs that qualify them for Residential Habilitation Services and Supports (ResHab). To define Daily Supports Needs utilizing currently available data, the Department selected a methodology modeled after the Developmental Disabilities Assessment in Washington State.

¹⁸ Colorado Department of Health Care Policy and Financing, Adult IDD Waiver Redesign Stakeholders Meeting Department of Health Care Policy & Financing, June 18, 2019 at <https://www.colorado.gov/pacific/sites/default/files/IDD%20Waiver%20Redesign%20Stakeholder%20Meeting%20Agenda%2006-18-19.pdf>

Washington State's Residential algorithm for needs based criteria, codified at WAC 388-828-9500, was chosen by Bolton as a starting point for Colorado's algorithm for three main reasons: 1) it is the only existing combined waiver methodology, 2) it utilizes SIS assessment data, and 3) it contains appropriate needs-based criteria. The Algorithm utilizes SIS assessments as well as a protective supervision acuity scale, behavioral acuity scale, medical acuity scale, program and services panel, seizure acuity scale, and sleep panel. Although the Department does not currently measure each of the additional components utilized in the Washington Residential Algorithm, the main component of the algorithm accesses responses from the SIS assessment, which Colorado does currently measure for all HCBS-DD and HCBS-SLS waiver participants.

The Algorithm is a formula that determines the level of residential services and supports members may expect to receive based on their assessed support needs. The Algorithm classifies members into seven Support Levels:

- **Support Level 1** – Weekly or less (*support on a weekly basis or less frequently*)
- **Support Level 2** – Multiple times per week (*support multiple times per week*)
- **Support Level 3A** – Intermittent Daily-Low (*daily support*)
- **Support Level 3B** – Intermittent Daily-Moderate (*daily support and may receive nighttime checks*)
- **Support Level 4** – Close Proximity (*support in close proximity 24 hours per day*)
- **Support Level 5** – Continuous day and continuous night (*support 24 hours per day*)
- **Support Level 6** – Community Protection (*24 hours per day supervision*)

A decision tree is used based on the SIS assessment responses in conjunction with responses to each of the additional scales and panels (referenced above) to determine a member's Support Level.

A primary component of the Algorithm is the Daily Support Needs score which assigns a member a minimum of Support Level 3A (*daily support*) when achieved. The member is assumed to have daily supports needs if at least one of specified SIS activities meets a stated minimum threshold (see Figure 7). In addition to meeting at least one of the above criteria, if a member needs assistance for any combination of three or more SIS Activities at least once a day (regardless of the type) they are considered to have Daily Supports Needs. The need for daily supports combined with scores from the remaining panels and scales places a member within one of the Support Levels between 3A (*daily support*) and 6 (*24 hours per day supervision*).

Figure 7: Washington State Algorithm

| Washington Daily Supports Needs | | | |
|--|-------------------------------|---------------------------------------|----------------------------|
| SIS Activity | Minimum Type Score | Minimum Frequency Score | Minimum Daily Support Time |
| A2: Bathing and taking care of personal hygiene and grooming needs | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| A3: Using the toilet | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| A4: Dressing | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| A6: Eating food | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| A9: Using currently prescribed equipment or treatment | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| E1: Taking medication | 2 Verbal /Gesture Prompt | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| E2: Ambulating and moving about | 3 Partial Physical Assistance | 3 At least once a day, but not hourly | 1 Less than 30 minutes |
| E3: Avoiding health and safety hazards | 1 Monitoring | 3 At least once a day, but not hourly | 1 Less than 30 minutes |

The Algorithm also considers mid-frequency support needs to determine whether a member qualifies for Support Level 3A (*daily support*). Mid-frequency support needs are met if an individual meets certain minimum criteria and has been scored at a “Medium” level of behavioral or medical support needs. To determine the behavioral and medical support needs, the additional panels and scales outside of the SIS assessment are utilized. The Department decided not to use this additional component for the Colorado algorithm as the Department does not currently collect the necessary behavioral and medical support needs measures to align with these components.

Table 7 demonstrates the percent of HCBS-SLS and HCBS-DD members that meet each of the individual daily supports criteria. Note, a member may meet more than one of the criteria below and is counted within each of the assessment areas where they meet the minimum qualifications.

Table 7: Waiver members meeting Daily Support Criteria

| Number and Percent of Total Population Meeting Minimum Requirements | | | | |
|---|-------|-------|-------|-------|
| SIS Activity | DD | DD | SLS | SLS |
| Using Toilet | 2,947 | 51.4% | 1,644 | 30.3% |
| Eating Food | 2,839 | 49.5% | 1,690 | 31.1% |
| Dressing | 3,375 | 58.9% | 2,111 | 38.9% |
| Bathing, Personal Hygiene, Grooming | 4,017 | 70.1% | 2,534 | 46.6% |
| Taking Meds | 4,838 | 84.4% | 3,039 | 55.9% |
| Avoiding health & safety hazards | 1,736 | 30.3% | 936 | 17.2% |
| Ambulating & moving | 4,199 | 73.3% | 2,788 | 51.3% |

| | | | | |
|--------------------------|-------|-------|-------|-------|
| Any combo of 3 min score | 4,482 | 78.2% | 2,916 | 53.7% |
|--------------------------|-------|-------|-------|-------|

To further demonstrate the needs of the population, Bolton summarized the percent of members who qualify for Daily Supports Needs by the number of criteria met. Table 8 shows the percent of members by the number of criteria met as well as the percent of members that qualify for daily supports solely by meeting the additional requirement of needing three services once daily.

Table 8: Percent of Members by Number of Criteria Met

| Percent of Daily Support Eligible Meeting One or More Requirements | | |
|--|-------|-------|
| Number of Requirements | DD | SLS |
| 1 | 10.4% | 21.5% |
| 2 | 11.8% | 16.7% |
| 3 | 11.2% | 12.4% |
| 4 | 10.7% | 11.2% |
| 5 | 13.1% | 10.4% |
| 6 | 18.9% | 13.0% |
| 7 | 23.7% | 14.2% |
| Combination of 3 Only | 0.1% | 0.5% |

2. Cost Impact Module

Bolton developed the Cost Impact Module to allow the Department to model the financial impact of changes in the Support Level algorithm, combining the SLS and DD waivers, adding new services, and adjusting current unit limits. The module also incorporates the estimated costs for eliminating the DD waiver waitlist. This is an Excel-based model that reads in results from the Support Level Module and projects estimated costs using the corresponding member claims. The Cost Impact Module aggregates data to calculate average utilization per thousand and cost estimates by Support Level and Daily Supports Needs criteria. The four scenarios analyzed include:

- 1. Do Nothing (Baseline):** The SLS and DD waivers are maintained with no change in services.
- 2. Combine Waivers:** The SLS and DD waivers are combined with no change in services. Both populations would gain access to all services covered under both waivers.
- 3. Combine Waivers Added Services:** The SLS and DD waivers are combined as described above, and will offer additional services (Acupuncture, Behavioral Risk Assessments, Caregiver Education, Chiropractic, Home Maintenance, Electronic Support Systems, Intensive Supports, and Medication Reminder Systems).
- 4. Combine Waivers Added Services and Remove Service Limits:** The SLS and DD waivers are combined as described above, offer the above added services, and remove service unit limits on Behavioral Counseling, Consultations, Line Staff, Assessments, and Non-Medical Transportation. To ensure adequate resources are available to members and maintain fiscal sustainability, Individual Support Plan Budget limits are developed at the Support Level for members who

meet the Daily Supports Needs criteria and those that do not. These budget limits are like the current Service Plan Authorization Limits (SPALs) authorized in the SLS waiver. To determine the budget limits, Bolton relied on the Prior Authorization Request (PAR) data to adequately capture an individual's need for services.

Bolton analyzed FY 2017-18 claims data underlying the SLS and DD waiver population provided by the Department. In total, the experience of 11,248 individuals receiving services on the waiver totaling \$478,717,123 in claims was used. The claims data total was then adjusted to \$531,877,052 in claims using the following factors:

- Reprice utilization to reflect the most current rates available (March 2019).
- Add estimates for incurred claims that had not been paid at the time of data extraction.
- Apply an Own-Wage elasticity assumption to utilization to account for the potential increase of available qualified providers due to the increase in rates (0.5 percent increase in utilization for every 1 percent increase in provider rates) This adjustment was limited to services where there is a perceived shortage of providers as identified by the Department.
- Incorporate estimates for services not included in the FY 2017/18 data (Consumer-Directed Attendant Support Services (CDASS) and Transition Services).

Key assumptions that shaped the Cost Impact Module include:

- The Combined Waiver cost development assumes that all SLS members meeting the Daily Supports Needs Criteria would elect to utilize ResHab services and supports (at their existing Support Level). Their Personal Care Services costs are replaced (offset) with average ResHab costs for DD members within the same Support Level. All mutually exclusive services are adjusted.
- The Combined Waiver cost development also assumes that DD members will utilize Hippotherapy, Movement Therapy, and Massage at levels consistent with the SLS population within the same Support Level.
- The cost of added services is based on research from other states and data provided by the Department for other Colorado waivers and pilot programs.
- The cost of removing service limits is developed using elasticity factors for each service type.
- Bolton developed these factors comparing the member claims and PAR data. The factors represent the estimated change in utilization given a 1 percent change in service limits.
- Because the services will be unlimited in Scenario 4, there is a maximum set that reflects the point at which utilization will no longer increase. This maximum was calculated to be 15 percent.

B. Cost changes

Cost changes are defined as the difference between the baseline and the estimated cost of the scenario. Cost changes were based on the four scenarios outlined above and include costs with and without the

waiting list. Table 9 shows predicted cost changes from the baseline (Do Nothing scenario) for implementing scenarios two – four outlined above. The transition of SLS members to a ResHab setting is the largest component of the additional cost (\$148,844,484) as the majority of the individuals on the DD Waiver Waiting List are receiving SLS services (1795 of the 2539).

The cost of eliminating the DD Waiver waitlist under these Combine Waivers Scenarios two-four is incorporated in the Total Cost for Existing Populations figures below. Because a large portion of the individuals on the waitlist are current SLS members, the number of individuals reflected in this DD Waiting List Estimated Cost is reduced to the remaining 744 non-SLS members.

Table 9: Predicted Costs by Scenario¹⁹

| | Do Nothing | Combine Waivers | Combine Waivers Added Services | Combine Waivers Added Services Remove Service Limits |
|-------------------------------------|---------------|----------------------|--------------------------------------|--|
| Starting Costs | \$531,877,051 | \$531,877,051 | \$531,877,051 | \$531,877,051 |
| Access to services from each waiver | \$0 | \$151,623,826 | \$151,623,826 | \$151,614,887 |
| New Services | \$0 | \$0 | \$15,551,999 | \$15,551,999 |
| SPAL Impact | (\$2,296,685) | (\$943,219) | (\$1,227,555) | (\$1,234,862) |
| Total Cost for Existing Populations | \$529,580,366 | \$682,557,658 | \$697,825,321 | \$702,118,422 |
| <i>Difference</i> | N/A | \$152,977,291 | \$168,244,955 | \$172,538,056 |
| DD Waiting List Estimated Cost | \$132,291,643 | \$52,471,912 | \$53,719,355 | \$54,114,407 |
| Total Cost for All Populations | \$661,872,009 | \$735,029,570 | \$751,544,677 | \$756,232,829 |
| <i>Difference</i> | N/A | \$73,157,560 | \$89,672,668 | \$94,360,820 |

C. Utilization

Bolton used FY 2017-18 SLS and DD membership and eligibility data provided by the Department.

- In 2017-18, there were 5,765 DD members and 5,483 SLS members, totaling 11,248 members.
- The As Soon As Available (ASAA) FY 2019 HCBS waiver waitlist provided to Bolton contained 2,539 members. Of these, 1,795 were currently classified as SLS members in the data underlying the model. There were 744 non-SLS members on the DD waitlist.

D. Bolton Proposed Options

Because it may be difficult to obtain approval and allocation for the funding for the options that were modeled, the Bolton report provides two additional options for the Department that are focused on lowering the estimated costs of the consolidated waiver.

¹⁹ Smith, J. & Hoffner, M. Intellectual and Developmental Disabilities Waiver Redesign Project Cost Modeling. Bolton Health Actuarial, Inc. June 26, 2019.

1. **Eliminate the DD Waiver waitlist following waiver consolidation.** Eliminating the waitlist prior to consolidation would allow 372 SLS members to enroll in the DD waiver, allowing them access to these more costly services even though they would not qualify otherwise as they do not meet the needs-based criteria of daily support time.
2. **Identify incentives for members to maintain their current living arrangement or move from a ResHab setting.** This recommendation focuses on encouraging a reduction in the number of members who are in a ResHab setting. This can include offering expanded services to members to decrease use of ResHab or increasing ancillary budget limits. Alternately, Bolton advises the Department to refine Daily Supports Needs criteria to impact who is eligible for ResHab. More information on this option can be found in Section XI.

IX. Other Associated Initiatives

The Department must align with federal and state-level initiatives and policies before it can implement a new redesigned waiver that is consistent with HB 15-1318. This section describes those key initiatives and policies that are occurring parallel with and that impact the waiver redesign. All of these activities are driven by a person-centered philosophy. The Department is committed to infusing person centeredness into all HCBS initiatives in addition to the HCBS Final Rule requirement to implement person-centered planning. This includes implementing person centered planning as part of the roll out of the Universal Long-Term Services and Supports Assessment Tool and the new Person-Centered Support Plan document and process, that will be implemented starting June 2021, and described below. The Department is also developing a Person-Centered Planning training course for case managers and Person-Centered Thinking training for providers, as well as training for individuals receiving HCBS waiver services to lead their own planning meetings.

A description of these and other initiatives can be found in the Joint Budget Committee Consolidated Waiver Redesign Issue Brief, which is provided in Appendix K.

A. House Bill 15-1318 Intersection with Federal HCBS Settings Final Rule s

Colorado House Bill 15-1318 “Consolidate Intellectual and Developmental Disability Waiver”, enacted in 2015 (CRS 25.5-6-409.3), requires the Department to create a new, consolidated waiver for Colorado’s Adults with Intellectual and Developmental Disabilities population. The Bill required a July 1, 2016 date for achieving CMS’s approval.

Prior to this Act, in January of 2014, CMS published the HCBS Final Rule (CMS-2249-F and CMS 2296-F) (42 CFR § 441.301(c)(1)(vi)), to enhance the quality of HCBS services individuals received with federal funding, and assure individuals receiving LTSS through HCBS programs have full access to the greater community “to the same degree as individuals not receiving Medicaid HCBS.” In order to submit a new waiver application necessary for a consolidated waiver, CMS required Colorado to come into compliance with the HCBS Final Rule. The deadline for states to come into compliance with the HCBS Final Rule is March 2022. The Department then developed a Statewide Transition Plan to bring all Colorado waivers

into compliance with the HCBS final rule by March 2022. This included work from a May 2014 contract with The Lewin Group to guide development of a Statewide Transition Plan to bring all Colorado waivers into compliance with requirements set forth in 42 CFR 441.301(c)(4-5).²⁰

Notably, while the Department is working to achieve compliance with the Final Rule, they have been working to amend and expand the HCBS-DD waiver to meet the aims of the HB 15-1318 and effectively consolidate the waivers by moving the HCBS-SLS population into an amended HCBS-DD waiver. However, the ability of the Department to accomplish this is limited by funding (see Recommendations and Conclusion).

B. Regional Center Task Force (HB-14-1338)

The Regional Center Task Force (RCTF) was created by House Bill (H.B.) 14-1338 and was charged with developing recommendations regarding the future size, scope and role of Colorado's three Regional Centers serving people with IDD. The Task Force submitted ten recommendations in its Final Report. The Final Report states "Colorado must make a strong commitment to persons with IDD, leading with enhancing the current system of community supports and funding to allow more people with [IDD] to be served in the community". Once these enhanced supports are established and proven, which will happen through the IDD waiver redesign and community capacity building related to implementation of the new IDD waiver, it may be possible to make changes to the Regional Center system to serve primarily as a crisis stabilization facility.

The RCTF's recommendations include broad system changes for the Department, as well as the Departments of Human Services (DHS) and of Public Health and Environment (CDPHE). The RCTF established a cross agency Operations Team to track both current work underway related to RCTF recommendations, as well as new work required to implement RCTF recommendations. A Sponsor Group was also established with executives from the Department, CDHS, CDPHE, and the community to advise on the activities of the Operations Team.²¹

C. Conflict Free Case Management (CFCM) (HB 17-1343)

Conflict Free Case Management (CFCM) prohibits the delivery of Case Management services and Home and Community Based Services Direct Services by the same agency or entity. For many years Colorado regulations allowed CCBs to provide both case management services as well as direct services to the same individual. In 2014, the HCBS Final Rule required the separation of case management from service delivery functions to mitigate conflict of interest for services provided under HCBS waivers. The IDD Waiver Redesign and CFCM timelines are contingent upon one another, as the HCBS Final Rule requires

²⁰ Colorado Department of Health Care Policy and Financing. Colorado's Protocol for Managing Compliance with the HCBS Settings Regulation. Draft June 2015. [https://disabilitylawco.org/sites/default/files/uploads/Colorado percent27s percent20Protocol percent20for percent20Managing percent20Compliance percent20with percent20HCBS percent20Settings percent20Regulation percent20June percent202015.pdf](https://disabilitylawco.org/sites/default/files/uploads/Colorado%20percent27s%20Protocol%20for%20Managing%20Compliance%20with%20HCBS%20Settings%20Regulation%20June%202015.pdf).

²¹ RCTF documents can be found at <https://www.colorado.gov/pacific/hcpf/community-first-choice-council>

CFCM for any new HCBS waiver applications submitted to CMS after the March 17, 2014 effective date of the Rule.

Following the publication of the HCBS Final Rule, the Department established a Task Group (Group) initially charged with developing recommendations for allowing choice in Case Management Agency; the focus changed following the publication of the rule to provide recommendations establishing a CFCM model for people enrolled in the HCBS-DD, HCBS-SLS, and HCBS-CES waivers. The Group met nine times throughout 2014, and all meetings were open to the public. In October of 2014, the Group published a final recommendation report prior to disbanding in that same year. The CFCM Group prioritized a model that is “integrated, person-centered, transparent, and offers free choice of case management.” However, the Group was unable to achieve consensus on the option for steps the Department should take to achieve CFCM. The Report outlining the options can be found in Appendix I.

In July 2016, Colorado published its CFCM Implementation Plan²² which outlines four options available to CCBs to comply with CFCM:

1. Become a case management only agency
2. Become a direct service provider only
3. Become a Case Management Agency and direct service provider, but not to/for the same person
4. Discontinue case management and direct services

The CFCM Implementation Plan was codified in the 2017 legislative session in House Bill 17-1343. HB 17-1343 mandates that the Department implement CFCM for IDD. The legislation further required the Department to develop qualifications for Case Management Agencies and Case Managers as part of the process for implementation of CFCM. The Department contracted with Navigant Consulting, Inc. (Navigant) to conduct nationwide research on state qualifications for Case Management Agency and a Case Manager in HCBS waivers. In this report, Navigant also provided recommendations to the Department followed by several stakeholder engagement meetings across the State to present the recommended qualifications. Feedback was obtained at all meetings and the Department amended Case Management Agency and Case Management qualification regulations based on this stakeholder outreach and feedback. The new Case Management Agency and Case Manager qualifications are expected to be effective August 30, 2019.

D. Patient-Centered Outcomes Research Institute and Person-Centered Systems

Upon creation of the Office of Community Living (OCL) in 2012, the Department was charged with redesigning all aspects of the LTSS system to better serve members and their families. Since that time there have been over 40 pieces of legislation impacting the work of the Department springing from this work, in addition to the oversight and stewardship necessary to administer Department programs as

²² Colorado Department of Health Care Policy and Financing. Conflict Free Case Management webpage at <https://www.colorado.gov/hcpf/conflict-free-case-management>

they exist today. The largest demographic of people utilizing LTSS are people age 65 and older and this number is expected to grow by 70 percent between 2019 and 2030. As modern medicine advances, the complexity of needs of people needing LTSS is increasing. The work with the Patient Centered Outcomes Research Institute (PCORI) and Hayley Gleason, of the Department's Office of Community Living, reflects efforts to build a system that demands high quality services delivered in a cost-effective way.

In 2014, to support this work, the Department contracted with HCBS Strategies to provide Colorado with a report to share with stakeholders concerning person-centered (PC) thinking and promising practices. The Report, which is provided in Appendix J, contains the following:

- A literature review with a summary of the common themes;
- A summary of person-centered planning requirements included in the CMS final rule
- Successes, lessons learned and challenges with implementing person-centered infrastructure
- An assessment of the degree to which a person-centered approach is incorporated into Colorado's HCBS delivery systems
- Recommendations for advancing person-centered approaches in Colorado

E. Employment First for Persons with Disabilities (SB 16-077)

Senate Bill 16-077 commits Colorado to the principles of Employment First. Employment First represents a framework for the provision of services that is centered on the premise that "all persons, including persons with significant disabilities, are capable of full participation in competitive integrated employment and community life ... Publicly funded agencies and systems align policies, service delivery practices, funding, and reimbursement structures in order to achieve competitive integrated employment ... Under this framework, in providing publicly funded services, employment in the general workforce is the first and preferred outcome for all working-age persons with disabilities, regardless of the level of disability." The IDD Waiver Redesign's proposed Employment Supports service is being designed in such a way as to meet the provisions of SB 16-077 regarding competitive integrated employment and community life.

F. IDD Waiting List

The Department is engaging with stakeholders to review recommendations for feasibility of reducing or eliminating the IDD waiting list. This will ideally improve individuals' access to services where and when they need them. The impact of reducing or eliminating the waitlist is discussed in previous sections of this report.

G. Testing Experience and Functional Tools (TEFT) Demonstration & the LTSS Assessment tool

In March 2014, Colorado was one of nine states that received a TEFT demonstration grant from CMS to test quality measurement tools and demonstrate e-health in Medicaid community-based long-term services and supports (CB-LTSS). The TEFT grant, which ended in March 2019, supported the piloting of

personal health records (PHRs) for HCBS beneficiaries. The PHR includes LTSS data, such as support plan and assessment information, and allow beneficiaries to interact with Case Managers electronically. This allows for the electronic sharing of information to promote more efficient care coordination between agencies with shared beneficiaries. The use of electronic health records could support individuals receiving services from the consolidated waiver to receive more efficient coordination of services and supports.

Partially supported by the TEFT grant, Colorado also plans to implement a new LTSS assessment tool in SFY 2020-2021, starting with a pilot in the year prior. The tool will replace the ULTC 100.2 tool currently in use by the Department to determine new level of care thresholds for HCBS. The new assessment tool will be used to develop an allocation for individualized budgets, to re-base the SIS/Support Levels and the Service Plan Authorization Limits (SPALs), and to inform the Person-Centered Planning process required by the Final Rule. SB 16-192, Assessment Tool Intellectual and Developmental Disabilities”, enacted into law in 2016, provided funding support for the tool.

H. No Wrong Door

In 2017, Colorado launched four No Wrong Door pilot sites (Colorado Access, Larimer County Department of Human Services, San Juan Basin Area Agency on Aging, Senior Resource Development) to help develop a financial model for modernizing access to LTSS for all Coloradoans in need. No Wrong Door sites are responsible for eligibility determinations, intake and referral, options counseling, and other tasks not related to case management. The No Wrong Door initiative will simplify the ways in which people access services in the redesigned waiver, while also directing people to less costly, non-Medicaid services. The pilot ends September 2019.

I. Consumer-Directed Attendant Support Services added to HCBS-SLS waiver

In 2017, CMS approved the initiative to add Consumer-Directed Attendant Support Services (CDASS) to the HCBS-SLS waiver. CDASS empowers participants and their families to make home care more personalized and responsive. The Department implemented CDASS in 2018 following the requisite health IT system modifications. This initiative reinforces a foundation for a continuum of self-direction service delivery options that the Department intends to include in the redesigned waiver by expanding the array of services that may be self-directed and enhancing participant safeguards beyond those in the CDASS option.

J. Community First Choice (CFC) 1915(k) State Plan Option

The CFC 1915(K) option allows Health First Colorado attendant care services to be provided on a state-wide basis to eligible members. Through CFC, members would have the option to direct their attendant care services or to receive services through an agency. This option also allows for HCBS attendant services to be provided via the State Plan, which would shift the costs of those services from the consolidated waiver to the State Plan. The work was directed by the CFC Council, which provided input to the State to be used in determining the feasibility of CFC. Before implementing a new 1915(k) waiver, CMS requires that Colorado comply with the HCBS Final Rule. Implementing CFC would also require

significant realignment and reorganization of services, as well as additional Department staff. States that have implemented CFC report significant administrative complexity resulting from having multiple mechanisms to provide similar types of services across various populations. Addressing CFCM, completing the Statewide Transition Plan, and implementing the new LTSS Assessment Tool and Person-Centered Support Plan are all steps that will pave the way for future implementation of CFC, should the Department determine this course of action. The evaluation of the feasibility of implementing this waiver is still in process at the time of this report.

K. Colorado Choice Transitions (CCT)

The CCT is part of the Money Follows the Person (MFP) Grant Demonstration, a five-year program with a primary goal of facilitating the transition of Health First Colorado members from nursing or other long-term care (LTC) facilities (institutions such as Intermediate Care Facilities for Individuals with Intellectual Disabilities or ICF/IID) to the community using HCBS waiver services and supports. The MFP grant allows the Department to redesign and establish demonstration services as ongoing waiver and State Plan services (intensive case management, community transition) to assist people in transitioning from ICF/IID and Nursing facilities into HCBS.²³

In 2019, the Department sustained and expanded access to four of CCT's most impactful transition services by incorporating them across all six of its HCBS adult waivers. These four services are: 1) Life Skills Training, 2) Home Delivered Meals, 3) Peer Mentorship, and 4) Transition Setup.²⁴ Each of the four services are available to eligible individuals transitioning from an institutional setting to a community setting. The Department has expanded each service's availability, other than Transition Setup, to all members of the six adult HCBS waivers, with certain exceptions. This allows the member to access CCT services even for transitions within the community, as long as the member demonstrates a need for the services to support a transition from any change in life circumstance.

L. Electronic Visit Verification (EVV)

Electronic Visit Verification (EVV) will allow the Department to closely monitor the utilization of consolidated waiver services to prevent Medicaid fraud. Section 12006 of the 21st Century Cures Act requires states to implement an EVV system for all Personal Care Services by January 1, 2019 and Home Health Services by January 1, 2023. A Federal EVV delay bill was signed into law in July 2018 delaying the penalty of reduced federal matching funds for EVV required services from January 1, 2019, until January 1, 2020. Failure to implement will result in reduction of federal funding. The Department is utilizing the additional time granted by federal legislation and did not mandate the use of EVV by January 1, 2019. The Department contracted with Sandata to deploy the Sandata Santrax solution. The EVV system will be available to all providers, but they may also use a system of their choice, if it meets federal requirements.

²³ More information about this program can be found at <https://www.colorado.gov/pacific/hcpf/money-follows-person-mfp>.

²⁴ Transition Setup was drawn from a CCT service of a different title: "Community Transition Services"

M. Cross-system Response Pilot Program for persons with Intellectual and Developmental Disabilities (HB 15-1368)

The Cross-system Crisis Response Pilot program ran from August 2016 to June 2019. The program supported building capacity to support and enhance Colorado's Crisis Service Program to fully include individuals with IDD. Codified at Section 25.5-6-412, C.R.S, HB 15-1368 also requires a cost analysis for statewide implementation of fully integrated behavioral therapies for people with IDD within Colorado's Behavioral Health Organizations (BHO). Behavioral Services are currently provided in the HCBS-SLS and HCBS-DD waivers. This pilot built capacity within the BHO system to serve people with IDD with co-occurring diagnoses.

Through the Cross-system Crisis Response Pilot, the Department has identified several gaps and needs in the statewide behavioral health system. The Department has been exploring a future consolidated IDD waiver as one avenue through which to better integrate behavioral health services for adults with IDD. To this end, the Department has designed proposed intensive supports services as described in Table 4.

N. Accountable Care Collaborative (ACC) 2.0

Colorado successfully procured Regional Accountable Entities (RAEs) to implement and operate Phase 2 of the Accountable Care Collaborative (ACC) beginning in July of 2018. In September 2014, the Department took the first steps to align the ACC and the LTSS system by enrolling approximately 30,000 full benefit Medicare-Medicaid enrollees into the ACC program. The experience underscored the need to formally expand the ACC network to coordinate with agencies such as Single-Entry Points (SEPs) and CCBs. It has also brought the ACC closer to the Department's goal of person and family-centered care, placing clients at the center of their care planning and delivery. The principles of the ACC are:

- **Incorporate a shared savings approach to payment** using similar strategies as those used in the ACC, including implementing a downside risk in Year 2 and increasing the risk over time.
- **Increase and Incentivize care coordination across systems** (physical health/primary care, behavioral health, and HCBS) by providing financial rewards for shared electronic health records (EHRs), team-based care planning and delivery, and achieving successful connections between providers, HCBS, and social services.
- **Use a person centeredness approach**
- **Use Key Performance Indicators (KPIs) to assess performance** supporting the Department's goals and align with the ACC's KPIs, that measure person-centeredness, HCBS delivery, and shared care planning across systems (as outlined above).

In addition to those initiatives listed above, the Department is undertaking various other health information technology (IT) related projects, notably implementing and certifying the state's new Medicaid Management Information System (MMIS), the Interchange.

X. Risks

The Department is aware that both acting to consolidate the waivers and not acting, thus maintaining the status quo could result in risks that should be carefully considered.

A. Risks of Action

Acting to consolidate the HCBS-SLS and HCBS-DD waivers could result in unintended consequences that must be mitigated. For example, costs could rise faster than expected, threatening the sustainability of waiver services for the population in need. The Department lacks historical cost and utilization data on certain waiver services, and self-direction service delivery models, which could threaten the accuracy of future cost projections. Implementing the new waiver will require slow, phased in implementation processes and close management of program enrollment over time.

The Department also lacks information on the efficacy of moving forward with a consolidated waiver in the way it has been designed. This lack of evidence supports moving forward in incremental steps and continuously evaluating progress as opposed to taking more aggressive action.

Another consideration is provider capacity. The provider and case manager workforce are in limited supply and may not be able to meet increased demand in the short term. The Department is currently assessing the current state of provider capacity to see where gaps may exist and to identify potential solutions to fill these gaps.

Similarly, the ability to implement and operate the revised waiver is dependent on the completion of other projects, which also poses risk. For example, the State will have to build up IT and administrative resources to ensure the new waiver design is implemented smoothly and is easy for providers and consumers to navigate.

Not meeting stakeholder expectations is another risk. While some stakeholders will support the decision to consolidate services and expand them to a broader population, others would prefer more comprehensive services for a more limited population.

Permanent risks include the uncertain regulatory environment and the potential for new administrations and CMS to change policy direction in a way that does not support the consolidated waiver.

B. Risks of Non-Action

Stakeholders have already made clear that the status quo is not enough, and inaction perpetuates the current system challenges:

- Individuals may experience poorer emotional and physical health outcomes without expanded self-direction, wellness, and employment support services
- Funding guidelines would remain more stringent, allowing for less flexibility to target funds towards identified needs
- Individuals become vulnerable to abuse, neglect or homelessness as waitlists grow

- Individuals also overuse the emergency department and hospital systems for care, which drive up system cost
- Individuals may not be enrolled in the waiver that is the best fit for their needs and there may be consumer confusion about which waiver is the right fit
- Individuals continue to be more reliant on the system than they need or want to be, resulting in a lower quality of life
- More state resources are required to manage multiple waivers with different requirements

XI. Recommendations

Although the Department has already completed numerous initiatives, as noted in Section IX, there is still much work to be done to meet the aims of federal, state, and Department mandates and goals, many of which are dependent on increased funding. Within this environment, the Department continues to employ an incremental approach to waiver consolidation. This includes enhancing services for individuals with IDD in both the HCBS-DD and HCBS-SLS waivers, while moving to pare down the waiting list and increasing the number of members in the more robust HCBS-DD waiver.

After a multi-year, multi-faceted process of research, stakeholder engagement and input, policy and program analysis, technical assistance, and with the recent financial analyses provided by Bolton, there are many options for next steps to simplify and consolidate IDD waivers. Some of these are discussed in the individual sections above, including those recommended by Bolton Health Actuarial in Section VIII, including implementing a new combined waiver, implementing a combined waiver and adding services, and implementing a combined waiver, adding services and removing service specific unit limits.

As noted in the beginning of this report, waiver consolidation may not be possible at this time due to funding limits; specifically, there is no ongoing direct service funding associated with HB 15-1318 to implement this mandate. To consolidate the HCBS-DD and HCBS-SLS waiver, Colorado will need to make considerable investments in the system. The costs of the consolidation are substantial as estimated in the Bolton report (Appendix H) and are summarized below. They are based on variation from estimated total costs for the existing population of \$529,580,366 in 2019.

- Baseline cost to Combine the Waivers: Total cost of \$682,557,658 **(or an additional \$152,977,291)** This grows to \$735,029,570 if the HCBS-DD Waiting list is eliminated.
- Combine the Waivers, add services: Total cost of \$697,825,321 **(or an additional \$168,244,955)**
- Combine the Waivers, add services, remove service limits: Total cost of \$702,118,422 **(or an additional \$172,538,056)**

In addition, it is anticipated that implementation of any options will take time, as they involve the development and passage of legislation and/or General Assembly Appropriation of the funds necessary for implementation. In the meantime, there are additional steps the Department and stakeholders may consider pursuing to incrementally support the goals and intent of the original legislation and the goals

of the Department and stakeholders to provide an array of broad, flexible services and spectrum of service delivery options that enhance individual choice, autonomy and community engagement, and to employ Person-Center Planning and service delivery that provides for health and safety assurances and sound stewardship of public funds.

Both CMS and stakeholders have recommended a careful and thoughtful approach to moving toward a fully redesigned and consolidated waiver, to avoid making big changes that could have unintended consequences that are disruptive to individuals on the waivers and their families. To that end, implementing incremental steps could provide important opportunities to move toward the ultimate goals of the waiver consolidation and to improve the lives of individuals in a more immediate way while minimizing disruption. In addition, by taking an incremental approach, the Department will be able to collect and analyze data necessary to create a comprehensive understanding of the financial and non-financial impact of waiver consolidation.

The Department is considering and employing several iterative options outlined below to meet the overall goals established by the CLAG and HB 15-1318 and informed by state best practices research and stakeholder input. Assessing these options and the associated risks and benefits is the Department's next priority in addressing waiver redesign and continuing the forward momentum that has been built since 2012. The following options do not represent the full universe of options the Department is considering.

- 1. Continue to buy down portions of the DD Waiver Waiting List when funding is available.** The Colorado Legislature funded 300 new DD waiting list enrollments, appropriated through HB18-1407 in FY 2018-19, and another 150 were appropriated with the signing of the Long Bill for FY 2019-20. The Department, with support from the Colorado General Assembly, has increased the number of individuals receiving appropriate services through the HCBS-DD waiver over the last several years by better forecasting and management of the waiting list, appropriating funding for additional enrollments, and adding emergency criteria for enrollment to include caregiver issues (like a primary caregiver becoming unable to continue providing care). However, the program continues to maintain a large waiting list. Investing more resources to end the waiting list supports other initiatives that fulfill the vision and goals laid out for the OCL through the executive order that created the Office and subsequent CLAG recommendations and legislation. In particular, ending the waitlist would be a necessary next step for waiver simplification and alignment, as outlined by the CLAG, and will bring Colorado closer towards fulfilling HB 15-1318, IDD Waiver Consolidation.
- 2. Increase Service Plan Authorization Limits (SPALs) for individuals who may benefit from an increase.** Some individuals who have high utilization of services within specific service categories (as identified in existing utilization data) may benefit from higher levels of services within these specific service categories. The Department is continuing to discuss this issue with stakeholders and may conduct additional research on the potential benefits of increasing SPALs in specific instances.

3. **Implement individual service limit changes or benefit modifications within the following service categories:**
 - a. **Behavioral Services.** It may be beneficial to raise or remove Behavioral Service Unit limitations (in one or all of the four services) to allow for the provision of additional Behavioral Services for those who need them, and which may help prevent avoidable hospitalizations, visits to the emergency department and/or health crises for caregivers.
 - b. **Employment Supports**
 - i. **Supportive Supervision.** Implement additional supportive supervision and hand over hand support services that require less skill and as a result pay at a much lower rate than a job coach service and allows for more utilization of a person's plan within the SPAL. This may increase employment among individuals receiving services under these waivers.
 - ii. **Incentive Payments.** Implement incentive payments to Supported Employment providers to catalyze the progression to Competitive Integrated Employment.
4. **Add Intensive Supports as a service category.** As noted in Section IX, in August 2016, in response to HB 15-1368, the Department launched a Cross-System Crisis Response Pilot to provide behavioral health crises services across the state. The pilot ended in June 2019. The Pilot has been building capacity to support and enhance Colorado's Crisis Service Program to fully include individuals with IDD. HB 15-1368 also includes an actuarial study for statewide implementation of fully integrated behavioral therapies for people with IDD, within the Behavioral Health Organizations. Once this pilot has concluded and the actuarial study has been completed, it may be beneficial to explore the degree to which these services could be included within the waiver as a new category of services called "Intensive Supports."
5. **Expand Self-Direction Options in the SLS waiver.** In 2018, the Department added CDASS for members in the HCBS-SLS waiver and is considering other ways to increase consumer directed options. The Department may also consider implementing In-Home Support Services (IHSS) in the SLS waiver (currently available in the Children's Home and Community Based Services (CHCBS) waiver, the Elderly, Blind, and Disabled (EBD) waiver, and the Spinal Cord Injury (SCI) waivers).
6. **Expand assistive technology options.** Review and consider adoption of other state approaches to offer and pay for assistive technology options as an opportunity to increase self-direction and reduce reliance on in-person supports.
7. **Increased and expanded caregiver supports.** To avoid caregiver burnout and supplement the volume of available and capable caregivers, Colorado could invest more resources into community education, outreach, research and supports for caregivers of individuals with IDD. Colorado could examine other state approaches such as New York's program to let trained home health aides administer routine medications to create advancement opportunities. The AARP Foundation has also funded the development of home health cooperatives, with the goal

of scaling worker-owned entities to create jobs, share peer knowledge and develop a career ladder. The Center for Health Care Strategies' *Helping States Support Families Caring for an Aging America* is evaluating several state approaches to developing strategies to assist family caregivers such as creating uniform caregiver policies, rethinking how to identify and track caregivers, providing critical training, and expanding access to respite and adult day care.²⁵ Colorado has already proposed additional caregiver supports and education as part of the consolidated waiver services outlined in Section VI.

XII. Future Innovation

In addition to the incremental steps discussed above, there are related larger and more complex innovations that could be pursued in the future. These innovations will require larger-scale, cross agency, systems level initiatives, but they could be considered as the healthcare landscape continues to shift and evolve.

A. Expand self-direction

As self-direction within healthcare, and particularly within waiver service delivery, becomes more available and developed as a practice, Colorado's waivers could work to incorporate self-direction as a service delivery option into more services. Next steps to pursue this type of innovation would be to conduct exploratory research into how other states have successfully incorporated self-direction into new and different services, and to explore how that could apply in Colorado. CMS could also provide additional valuable technical assistance and guidance on this type of innovation.

B. Increase the Innovative Use of Technology

While there may be some short-term and more immediate ways to increase the innovative use of technology for individuals who receive services on the waivers, there are also some longer-term possibilities for increased use of technology. As technology continues to evolve at a rapid rate, the availability of new technology that can support the health and independence of individuals who receive services from Colorado's SLS and DD waivers is increasing. Colorado could explore whether long-term investment in new technologies could both improve the lives of individuals who receive waiver services, while also making services more efficient with the goal of providing more services to more people over the long-term. This exploration should begin with an examination of cutting-edge technologies that other state Medicaid agencies, Medicare, and commercial health plans are utilizing and an exploration of the degree to which they improve health and increase independence. For those technologies that are promising, the Department could conduct a cost-benefit analysis to assess the value of an investment.

C. Housing

While Medicaid does not pay for housing, many innovations are emerging across the country that support partnerships across Medicaid and housing agencies, with the understanding that people are

²⁵ Center for Health Care Strategies. *Helping States Support Families Caring for an Aging America*. November 2018. <https://www.chcs.org/project/helping-states-support-families-caring-for-an-aging-america/>

healthier when they live in safe and supportive housing. Colorado's housing market is among the most expensive in the country. According to Housing Colorado, 50 percent of Colorado renters spend more than 30 percent of their income on housing and supply has not kept up with demand, resulting in a housing shortage.²⁶ Average one-bedroom rents are higher than monthly Supplemental Security Income payments. A lack of affordable housing negatively impacts people who are enrolled in the SLS and DD waivers – they can become burdened by rent, experience homelessness, or revert to institutional settings. Long term strategies to increase the availability of safe and supportive housing for individuals who are enrolled in these waivers are critical. States have looked at expanding permanent supportive housing, advocating for federal affordable housing resources, providing rental assistance, and further supporting employment.²⁷

D. LEAN Initiative

The April 14, 2015 State Fiscal Impact Note mandated that the Department conduct an analysis of any impact of the consolidated waiver on provider monitoring duties and associated costs and workload. The Colorado Department of Public Health and Environment (CDPHE) currently conducts provider monitoring and certification work and therefore needs information on whether appropriations should be adjusted.

As part of this analysis, the Department initiated a LEAN project involving multiple agencies to evaluate and streamline the provider application, enrollment and certification process. The Department contracts with the CDPHE to certify certain HCBS providers, demonstrating they meet state and federal requirements regarding the safety and well-being of consumers. The Department has noted challenges with the current certification process, including:

- The use of non-standardized surveys (surveys are conducted when a provider first enrolls in Medicaid and unannounced periodically thereafter, in year three);
- The complexity of the process and workload associated with certifying providers every three years;
- The lack of tools needed to analyze certification outcomes data and “hold providers to higher standards of quality of care.”

The Department contracted with Mission Analytics to recommend steps the Department could take to streamline and align the certification process across survey types and improve data collection and sharing in order to provide the Department with more actionable data. In addition, Mission Analytics provided recommendations on implementing a provider report card and introducing value-based payments. These recommendations laid the groundwork for future Department pursuits related to provider certification and monitoring. (See Appendix L for the Mission Analytics draft report).

²⁶ Housing Colorado at <https://liveaffordablycolorado.org/>

²⁷ Schaak, G et. al. *Priced Out: The Housing Crisis for People with Disabilities*. Technical Assistance Collaborative and Consortium for Citizens with Disabilities. December 2017. <http://www.tacinc.org/media/59493/priced-out-in-2016.pdf>

XIII. Next Steps

There are several potential next steps in this process, some of which are already underway.

A. In Process

1. The Bolton cost model analysis uncovered a need for additional research to explore the degree to which the algorithm used by Washington state (described in Section VIII above) is appropriate for Colorado's waivers. This piece of research is currently underway, using a sample of utilization data from the DD and SLS waivers, and conducting case studies to ascertain the potential effect of applying the Needs-Based Criteria to eligibility for Residential Services and the impact of the redesigned waiver on the people it is intended to serve. This will be completed by January 2020.
2. Continue work and progress on the other aligned initiatives. Work on the related and aligned initiatives described in Section IX above. It will be important for the Department and stakeholders to continue to monitor progress on these initiatives and monitor the impact of that progress on the waiver redesign efforts.
3. Continue to work on Service Coverage Standards definitions with input from the IDD Waiver Redesign stakeholders.
4. Refine Needs-Based Criteria for eligibility for Residential Services as described in the Bolton and HSRI Reports.

XI. Conclusion

The Department has been working to meet the goals of the OCL and implement the recommendations put forth by the CLAG to simplify the waiver system and ensure Colorado's LTSS system is responsive, flexible, accountable, and self-directed. The Department has engaged stakeholders throughout the process and worked to align with ongoing federal and state policies and initiatives. Further progress is largely dependent on funding, however. For example, although the Department has been able to buy down the HCBS-DD waiting list, it cannot eliminate it without considerable investment. In addition, the mandate to consolidate the IDD waivers did not include funding. Achieving consolidation as envisioned by HB 15-1318 would require substantial investment by the State that may not be feasible at this time. The Department will continue to work in partnership with stakeholders to identify improvements that can be made to waiver structure and services on behalf of Coloradans in need.